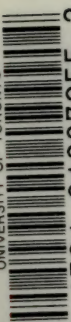


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HANDBOOKS. No. 1.

British Trade and the Zollverein Issue

(Reprinted from "Commercial Intelligence.")

BY

L. G. CHIOZZA

4TH EDITION.

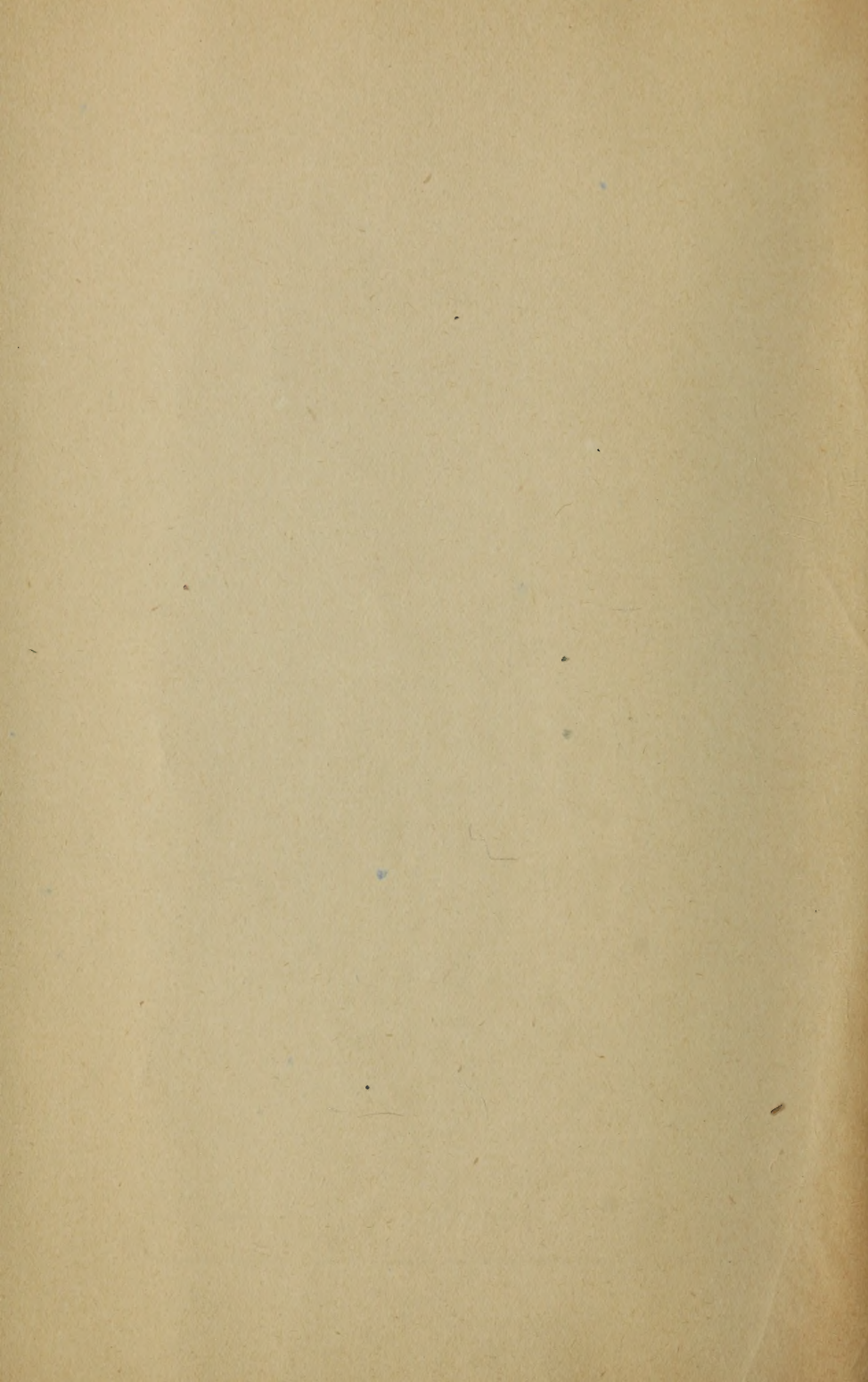
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BRITISH TRADE .
AND THE
ZOLLVEREIN ISSUE.

BY

LEONE GEORGE CHIOZZA.

LONDON :

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BRITISH TRADE AND THE ZOLLVEREIN ISSUE:—THE POPULATION OF THE BRITISH EMPIRE.



BRITISH TRADE AND THE ZOLLVEREIN ISSUE.

CHAPTER I.

Introductory.

THE occasion of the visit of the Colonial Premiers to London has been seized for the discussion between them and the Colonial Secretary of, amongst other things, the question of Imperial Trade, and it has been openly declared by or on behalf of all of them that they will urge upon the Mother Country the desirability of cementing the relations between the United Kingdom and the Colonies by altering our fiscal system and favouring Colonial products by preferential tariffs. The issue has been forced into further prominence by the declaration of the Colonial Secretary that the time has arrived to bind the Colonies to our side by "ties of interest,"* the suggestion being that England has its back to the wall in commerce and politics alike, and that means exist, if we will but take them, to "keep British trade in British hands."

A true British Zollverein or Imperial Customs Union, with free

* Vide Mr. Chamberlain's speech on May 16th, 1902.—"At the present moment the Empire is being attacked on all sides, and in our isolation we must look to ourselves. We must draw closer our internal relations, the ties of sentiment, the ties of sympathy, yes, and the ties of interest. If by adherence to economic pedantry, to old shibboleths, we are to lose opportunities of closer union which are offered us by our colonies, if we are to put aside occasions now within our grasp, if we do not take every chance in our power to keep British trade in British hands, I am certain that we shall deserve the disasters which will infallibly come upon us."

trade between the members of the Empire and a common tariff wall against the world outside it, is not, I believe, suggested for adoption by anyone. What is commonly urged is that each component of the Empire, while reserving the right to levy such revenue or protectionist duties on imports as it may deem advisable for its welfare and peculiar needs, should, in the case of any import duty so adopted, relax it in part in favour of the other components of the Empire, thus giving British goods or products a tariff preference over foreign goods or products. Thus, the United Kingdom, now taxing corn imports for revenue purposes, should, it is urged, relax that duty in favour of colonial corn, giving Canadian, Australian, and Indian wheat a tariff preference in our market as compared with United States, Argentine, or Russian wheat. To take another example, Australia, while levying a protectionist duty on all imported woollen goods with the object of establishing a native woollen industry and eventually becoming independent of imported woollens, whether British or foreign, would, pending that happy consummation, reduce its tariff so far as British woollens are concerned, giving the British manufacturer a pull over his foreign rival in the Australian market.

A more sweeping suggestion (the idea is an old one) is made by Lieut.-Colonel Denison, who urges :

“That a special duty of five to ten per cent. should be imposed at every British port on all foreign goods, the proceeds to be devoted to Imperial defence, by which each port would not only be doing its duty towards the common defence, but at the same time be receiving a preference over the foreigner in the markets of the Empire.”

I do not think Colonel Denison suggests that apart from this “special duty” on foreign products the different portions of the Empire should not have power to raise such revenue or Protectionist duties as may seem good to them.

At this point I do not pause to discuss these suggestions. I merely record them to make it clear what the propositions are which are likely to be put before us for acceptance or rejection in connection with this important subject, and to guide us as to the nature of the facts it is necessary to collect to be able to form an opinion of any value concerning them.

We are all so desirous of strengthening in every possible way the links of Empire, so anxious to cherish the feeling of Imperial Unity, so eager to make a step forward in the direction of Imperial Federation, that any proposals made by our colonies in the desire to further Imperial trade must have a cordial hearing, and not be rejected without the gravest consideration. On the other hand, we must make quite sure that in the desire to promote unity we do not sacrifice either our own welfare or that of our colonies. We must take every factor of the case into consideration, and not be led by our desires into ignoring palpable facts. The matter is of such vital importance to the British Empire, and especially to the inhabitants of the United Kingdom, that I have collected the main facts which are pertinent to the discussion, and now present them to the reader in what I hope will commend itself as a series of plain and unvarnished statements.

I propose to consider:—

- (1) The population of the British Empire.
- (2) The case as to raw materials.
- (3) The case as to food.
- (4) The present nature of the commerce of the United Kingdom with foreign countries and British possessions.
- (5) Our commercial treaty relations with foreign countries.
- (6) Colonial imports from foreign countries.

I shall then sum up the facts collected under these heads and present the whole case to the reader's judgment. As I shall state not merely opinions, but the premises upon which, perhaps wrongly, they are based, the reader will not be asked, like the immortal jury who tried the Knave of Hearts for stealing the tarts in "Alice in Wonderland," to consider his verdict before hearing the evidence.

CHAPTER II.

The Population of the British Empire.

IN connection with a question which so nearly concerns the welfare and future progress of the British race, which is advanced for our consideration as a solution of the problem of foreign competition, it is of moment to consider, in the first place, the population of the British Empire, and particularly of the self-governing colonies which are claiming preferential treatment and which it is suggested we must bind to our side by "*ties of interest.*"

It will be seen by reference to the accompanying diagrammatic map and table that there are approximately 48,731,000 British people in the British Empire, and that of them $40\frac{1}{2}$ millions are in the United Kingdom and about 8 millions outside it. In addition, the Empire outside this country contains 3 millions of other white people, so that the Empire's white population, apart from the United Kingdom, is 11,000,000 persons. The remainder of the Empire's population is composed of Asiatics, blacks, &c., numbering 342,000,000, of whom the greater part, 294 millions, are the native races of our Indian Empire, which, like this country, is run on free trade principles.

Canada, which has a far better claim than India to be considered the "brightest jewel in the British Crown," has a total population of 5,371,000. The following details are from the official census

Canada's Cosmopolitan Population.

English	1,263,575
Irish	989,858
Scotch	798,986
Welsh	13,094
Manx	286
French	1,649,352
German	309,768
Dutch	33,839
Indian	93,319
Half-Breeds—	
Indian English Breed ..	4,557
Indian French Breed ..	17,012
Indian Irish Breed.. ..	989
Indian Scotch Breed ..	6,300
Indian Other Breeds ..	4,716
Austrian	10,214
Belgian and Flemish	2,852
Russian	23,610
Swiss	3,863
Arabian	145
Bohemian	870
Galician	5,682
Chinese	17,299
Finn	2,502
Hungarian	1,549
Italian	10,892
Japanese	4,738
Jewish	9,123
Maltese	37
Negro	17,427
Polish	6,255
Portuguese	467
Roumanian	345
Scandinavian	1,929
Danish	3,945
Icelandic	9,292
Norwegian	5,341
Swedish	10,597
Slavic	768
Spanish	902
Syrian, Armenian, Turkish and Persian	730
Servians, Bulgarians, and Greeks	324
Egyptian	11
Grecian	291
Unspecified	32,642

To sum up, there are 3,066,000 British Canadians and 2,305,000

Canadians of other than British descent, over five millions in all.

Australia has not a large population. The total is 3,777,000, of whom $3\frac{1}{2}$ millions are British, rather less than the population of the London County Council area or Lancashire. Lancashire, with its population of 4,000,000, has more concern in the Preferential tariff issue, therefore, than Australia, and Greater London, with a population of 6,580,616, more than Canada.

It is also a fact that London is increasing its British population more quickly than either Canada or Australia, while, with all the talk about alien immigration, even the East End of London is not garnering foreigners nearly so quickly as Canada. The large foreign population in our colonies cannot be ignored in this question. This is recognised by Lieut.-Colonel Denison* who urges that the foreign element must be bound by ties of self interest.

In May there were 9,644 emigrants into Canada, of whom 5,736 were aliens and 3,908 British. For the first five months of 1902 the emigrants into Canada numbered 27,477, of whom only 10,477 were British.

New Zealand has but a small population, only amounting to 819,000 persons, which includes 52,000 Maoris and 6,000 Europeans. The British population is 761,000, about as many people as there are in Liverpool or Glasgow. Even Mr. Seddon must agree that 700,000 loyal New Zealanders have no more right to decide the destiny of the Empire than 700,000 loyal citizens of Glasgow.

Coming to South Africa, we are faced with the fact that, not only is the white population small, about one million persons, but it is as to a large majority of foreign origin, the British element not amounting to more than 400,000 persons. I need not dwell upon this unfortunate fact, for it is, through recent events, fairly well known, though, perhaps hardly realised in all its bearings; but may point out that, unless, as Mr. Frederick Greenwood recently suggested, foreign immigration into South Africa is vetoed, or unless we take steps to colonise it with British subjects, the foreign majority is only too likely to increase.

*See Lt.-Colonel Denison's article in the *Nineteenth Century* for June, 1902, on Canada and the Imperial Conference.

Taking the latest census available in each case, I now proceed to contrast the populations of different portions of the British Empire:—

White Populations Only.

Greater London	6,580,616
Canada (<i>all whites</i>)	5,170,000
L.C.C., London	4,536,000
Lancashire	4,406,787
Yorkshire	3,585,122
Australia	3,577,000
Canada (<i>British only</i>)	3,066,000
Surrey	2,008,923
Essex	1,085,576
British South Africa (<i>all whites</i>)	1,000,000
New Zealand	767,000
Glasgow	735,906
Liverpool	684,947
Cape Colony (<i>all whites</i>) ..	587,000
Manchester	543,969
Leeds	428,953
British South Africa (<i>British only</i>)	400,000
Sheffield	380,717
Cape Colony (<i>British only</i>) ..	267,000
Transvaal (<i>all whites</i>)	258,000
Plymouth	107,514
Orange River Colony (<i>all whites</i>)	78,000
Coventry	69,877
Natal	69,000
Grimsby	63,138
Transvaal (<i>British only</i>)	58,000
Ilfracombe	16,868
Rhodesia (<i>all whites</i>)	15,000
Barnstaple	11,550
Rhodesia (<i>British only</i>)	10,000
Llandudno	9,307
Orange River Colony (<i>British only</i>)	8,000

These facts have this bearing on the question of Imperial trade and policy, that they clearly decide who should have the chief voice in the decision as to a customs union or preferential tariffs. The bulk of the British race is still to be found here in the United Kingdom. If it can be shown that an arrangement can be made equally for the benefit of the 40 million British in this country

and for that of the 11 million British white subjects outside these shores; equally for the 400,000 of Sheffield and the 400,000 of South Africa; equally for the 700,000 of Glasgow and the 700,000 of New Zealand; equally for the 6,000,000 of London and the 5,000,000 of Canada; equally for the 4,000,000 of Lancashire and the 3,000,000 of Australia, then let us have it by all means. But if an examination of the other factors of the problem leads us to the conclusion that the greater part of the British race is to be asked to jeopardise its position for the benefit of the few millions who inhabit rich and undeveloped lands oversea, then more is being asked of us than we can grant in justice to ourselves and consistently with the best interests of the colonies whose defence by land and sea we provide.

Pending, therefore, the investigation of the other factors of the problem, this chapter may be said to have established that—

The centre of gravity of the British race is still in the United Kingdom. We are overwhelmingly the predominant partner in the British federation, and our self-governing colonies can only offer us preferential trade with small populations, in exchange for preferential trade with 41½ million people.

CHAPTER III.

The Case as to Raw Materials.

A GLANCE at the Board of Trade Returns shows what an enormous sum we expend annually in feeding our home industries with imported raw materials. The figures for last year are:—

Raw Material Imports in 1901.

Raw materials for textile manufactures	£79,401,000
Raw Materials for sundry industries	57,954,000
	<hr/>
	£137,355,000

In addition, a large quantity of raw materials is included under the following headings* :—

Metals	£30,787,000
Chemicals, dyestuffs, and tanning substances.. .. .	6,129,000
	<hr/>
	£36,916,000

If we are to enter into a Customs Union, or make preferential trading arrangements with our Colonies, we must see to it that we do not endanger our supplies of cheap raw materials. It is of the greatest importance, therefore, to carefully examine our present supplies, which, in view of the fact that we now purchase without reference to any consideration but buying in the cheapest market,

* It is a great pity Raw Materials are not dealt with more clearly in the Returns. I have treated this subject at length in *Commercial Intelligence* in a series of articles on "Reforming the British Trade Returns."

give us an infallible guide to the geographical distribution of the world's raw materials, or, to be more precise, to the places whose peoples are, fortunately for us, willing to sell them.

I take the materials in alphabetical order, drawing the figures from the invaluable "Annual Statement of the Trade of the United Kingdom with Foreign Countries and British Possessions," for 1901, compiled by the Custom House.* I give these figures in detail because the average reader, although well acquainted with the sources of supplies of the raw material of the trade in which he is particularly interested, may not be *au fait* with the recondite details of the many and diverse industries which employ the skill of our people. It is idle to discuss a Zollverein or preferential tariffs without knowledge of these practical details, which are, as a rule, carefully avoided by the spinners of fine theories of Imperial trade.

Raw Materials Imported in 1901.

Asbestos.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
United States ..	18,000	Canada	39,300
Italy	17,000	Other colonies ..	1,400
Other countries ..	14,500		
<hr/>		<hr/>	
(value, £35,000)	Cwts. 49,500	(value, £68,700)	Cwts. 40,700

Bristles

From Foreign Countries.		From British Possessions.	
	Lbs.		Lbs.
China	1,631,000	India	280,000
Germany	934,000	Other colonies..	158,000
Other countries	1,068,000		
<hr/>		<hr/>	
Lbs. 3,633,000		Lbs. 438,000	

Canes and Sticks.

From Foreign Countries.		From British Possessions.	
	Number.		Number.
Germany	5,850,000	Straits Settle- ments	16,000,000
Japan	5,760,000	Other colonies	4,700,000
Other countries	5,490,000		
<hr/>		<hr/>	
17,100,000		20,700,000	

* Cd. 1105. Price 6s. 7d. Published by Eyre and Spottiswoode. This storehouse of information concerning British commerce is almost unknown to those for whose benefit it is compiled. Mr. A. C. Wood, the able head of the Customs Statistical Department, must, I fancy, often groan to think how his work is wasted. The nation spends so much money in compiling these blue-books that it is a pity steps are not taken to announce their publication.

Caoutchouc.

From Foreign Countries.	
	Cwts.
Brazil	225,500
Other countries..	200,500
	<hr/>
Cwts.	426,000

From British Possessions.	
	Cwts.
Gold Coast and Foreign Protec- torate	22,000
Other Colonies ..	18,000
	<hr/>
Cwts.	40,000

Cork.

From Foreign Countries.	
	Tons.
Portugal	17,000
Other countries ..	12,500
	<hr/>
Tons	29,500

From British Possessions.	
	Tons.
Gibraltar	265
Other colonies ..	1
	<hr/>
Tons	266

Cotton.

From Foreign Countries.	
	Cwts.
United States..	13,220,000
Other countries	2,765,000
	<hr/>
Cwts.	15,985,000

From British Possessions.	
	Cwts.
India	335,000
Other Possessions	16,000
	<hr/>
Cwts.	351,000

Flax.

From Foreign Countries.	
	Tons.
Russia	40,500
Others	16,100
	<hr/>
Tons	56,600

From British Possessions.	
	Tons.
New Zealand ..	737
	<hr/>
Tons	737

Galls.

From Foreign Countries.	
	Cwts.
Turkey	41,000
Others	8,400
	<hr/>
Cwts.	49,400

From British Possessions.	
	Cwts.
India	188
Others	132
	<hr/>
Cwts.	320

Gums of all kinds.

From Foreign Countries.
185,000 cwts.

From British Possessions.
274,000 cwts.

Gutta Percha.

From Foreign Countries.	
	Cwts.
Holland	6,400
Venezuela	5,000
Others	2,600
	<hr/>
Cwts.	14,000

From British Possessions.	
	Cwts.
Straits Settlements	66,500
Others	7,900
	<hr/>
Cwts.	74,400

Hair :

From Foreign Countries.
4,135,000 lbs.

CAMELS'.

From British Possessions.
Nil.

Hair (continued)—

COW, OX, BULL, OR ELK.			
From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
United States ..	16,500	India	600
France	16,500	Others	900
Others	19,000		

Cwts. 52,000 Cwts. 1,500

GOATS' (Other than Mohair).

From Foreign Countries.		From British Possessions.	
	Lbs.		Lbs.
France	148,000	India	1,980,000
Others	312,000	Others	20,000

Lbs. 460,000 Lbs. 2,000,000

HORSE.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Russia	5,000	Australia	1,000
Others	17,000	Others	1,300

Cwts. 22,000 Cwts. 2,300

OTHER KINDS OF HAIR (Only value entered).

From Foreign Countries.	From British Possessions
£94,000	£2,600

Hemp.

From Foreign Countries.		From British Possessions.	
	Tons.		Tons.
Philippines ..	76,500	New Zealand ..	6,800
Others	31,200	Others	17,200

Tons 107,700 Tons 24,000

Hides.

DRY HIDES.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Russia	20,000	India	128,000
Holland	26,000	Strts. Settlements	44,000
Germany	14,000	Cape Colony ..	20,000
Others	72,000	Others	29,000

Cwts. 132,000 Cwts. 221,000

WET HIDES.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Belgium	172,000	Australia	18,000
Italy	121,000	Others	20,000
Germany	117,000		
Others	409,000		

Cwts. 719,000 Cwts. 38,000

Horns.

From Foreign Countries.			From British Possessions.					
		Tons.			Tons. †			
Argentina	500	India	..	..	1,750	
France	400	Others	..	..	850	
Others	1,500					
			<hr/>				<hr/>	
			Tons	2,400			Tons	2,600

Ivory.

From Foreign Countries.			From British Possessions.					
		Cwts.			Cwts.			
Belgium	2,000	B.E. Africa	..	..	1,100	
Others	3,500	Others	..	..	2,200	
			<hr/>				<hr/>	
			Cwts.	5,500			Cwts.	3,300

Jute.

From Foreign Countries.			From British Possessions.					
		Tons.			Tons.			
Germany	1,700	India	..	..	319,000	
Others	900					
			<hr/>				<hr/>	
			Tons	2,600			Tons	319,000

Metals.**COPPER ORE.**

From Foreign Countries.			From British Possessions.					
		Tons.			Tons.			
Chile	22,000	Cape Colony	..	..	22,000	
Peru	17,000	Australia	..	..	13,000	
Others	19,000	Others	..	..	7,700	
			<hr/>				<hr/>	
			Tons	58,000			Tons	42,700

COPPER REGULUS AND PRECIPITATE.

From Foreign Countries.			From British Possessions.					
		Tons.			Tons.			
Spain	45,000	Cape Colony	..	..	7,000	
United States	21,000	Others	..	..	3,500	
Others	15,400					
			<hr/>				<hr/>	
			Tons	81,400			Tons	10,500

COPPER BARS, &c.

From Foreign Countries.			From British Possessions.					
		Tons.			Tons.			
Chile	19,500	Australia	..	..	18,450	
United States	19,000	Others	..	..	50	
Others	10,500					
			<hr/>				<hr/>	
			Tons	49,000			Tons	18,500

IRON ORE.

From Foreign Countries.			From British Possessions.					
		Tons.			Tons.			
Spain	4,750,000	Newfoundland	..	..	35,500	
Greece	303,000	Others	..	..	9,500	
Others	451,000					
			<hr/>				<hr/>	
			Tons	5,504,000			Tons	45,000

THE ZOLLVEREIN ISSUE.

LEAD ORE.

From Foreign Countries.			From British Possessions.		
		Tons.			Tons.
China	..	1,800	Australasia	..	23,500
France	..	1,700	Others	..	200
Others	..	2,200			
		<u>Tons 5,700</u>			<u>Tons 23,700</u>

LEAD—PIG AND SHEET.

From Foreign Countries.			From British Possessions.		
		Tons.			Tons.
Spain	..	99,000	Australia	..	60,600
United States	..	43,500	Others	..	50
Others	..	15,000			
		<u>Tons 157,500</u>			<u>Tons 60,650</u>

MANGANESE ORE.

From Foreign Countries.			From British Possessions.		
		Tons.			Tons.
Russia	..	86,000	India	..	42,050
Brazil	..	35,000	Others	..	100
Others	..	29,500			
		<u>Tons 150,500</u>			<u>Tons 42,150</u>

PYRITES OF IRON AND COPPER.

From Foreign Countries.			From British Possessions.		
		Tons.			Tons.
Spain	..	500,000	Newfoundland	..	36,160
Others	..	117,000	Others	..	50
		<u>Tons 617,000</u>			<u>Tons 36,210</u>

MERCURY.

From Foreign Countries.			From British Possessions.		
		lbs.			lbs.
Spain	..	2,222,300			
Others	..	420,300			
		<u>lbs. 2,642,600</u>			<u>lbs. 7,950</u>

TIN ORE.

From Foreign Countries.			From British Possessions.		
		Tons.			Tons.
Chile	..	7,700	Australia	..	100
Others	..	2,700	Others	..	10
		<u>Tons 10,400</u>			<u>Tons 110</u>

TIN IN BLOCKS, &c.

From Foreign Countries.			From British Possessions.		
		Cwts.			Cwts.
Holland	..	37,000	Straits Settlements	..	528,500
Chile	..	32,000	India	..	29,000
Others	..	17,600	Australia	..	63,000
			Others	..	800
		<u>Cwts. 86,600</u>			<u>Cwts. 621,300</u>

Metals (continued)—

		ZINC ORE.	
From Foreign Countries.		From British Possessions.	
		Tons.	Tons.
Italy	14,000		
Others	20,800		
	<hr/>		
	Tons 34,800		Tons 302

		ZINC (Crude).	
From Foreign Countries.		From British Possessions.	
		Tons.	Tons.
Holland	23,000		
Belgium	20,000		
Germany	16,500		
Others	7,500		
	<hr/>		
	Tons 67,000		Tons 483

		ORES—Miscellaneous.	
From Foreign Countries.		From British Possessions.	
	65,700 tons.		10,300 tons.
		METALS—Unenumerated, Unwrought.	
From Foreign Countries.		From British Possessions.	
	3,500 tons.		400 tons.

Mica, Talc, &c.

From Foreign Countries.	From British Possessions.
119,800 cwts.	20,300 cwts.

Nuts and Kernels for Oil Pressers.

From Foreign Countries.		From British Possessions.	
		Tons.	Tons.
Pacific Islands ..	4,300	Niger	10,500
German W. Africa	3,400	Sierra Leone ..	7,500
Others	8,000	Others	16,400
	<hr/>		
	Tons 15,700		Tons 34,400

Paper-Making Materials.

		RAGS.	
From Foreign Countries.		From British Possessions.	
	15,550 tons.		350 tons.
		ESPARTO, &c.	
From Foreign Countries.		From British Possessions.	
	194,000 tons.		Nil.
		WOOD PULP.	
From Foreign Countries.		From British Possessions.	
		Tons.	Tons.
Norway & Sweden	355,000	Canada	70,100
Others	22,000	Others	1,400
	<hr/>		
	Tons 377,000		Tons 71,500

OTHER PAPER MATERIALS.

Metals (*continued*)—**Piassava Fibre** (and other Fibres for Brush Making)

From Foreign Countries.			From British Possessions.				
		Tons.			Tons.		
Siberia	1,500	Ceylon	..	..	1,100
Brazil	1,100	Others	..	..	730
Others	2,600				
			<hr/>				<hr/>
		Tons	5,200			Tons	1,830

Plumbago.

From Foreign Countries.			From British Possessions.				
		Tons.			Tons.		
Germany	2,700	Ceylon	..	..	9,850
Others	3,600	Others	..	..	2,050
			<hr/>				<hr/>
		Tons	6,300			Tons	11,900

Seeds chiefly for Oil Manufacture.

COTTONSEED.

From Foreign Countries.			From British Possessions.				
		Tons.			Tons.		
Egypt	348,500	India	..	..	44,200
Others	44,200	Others	..	..	250
			<hr/>				<hr/>
		Tons	392,700			Tons	44,450

LINSEED.

From Foreign Countries.			From British Possessions.				
		Quarters.			Quarters.		
Argentina	664,680	India	..	..	744,000
Others	261,390	Others	..	..	14,750
			<hr/>				<hr/>
		Quarters	926,070			Quarters	758,750

RAPESEED.

From Foreign Countries.			From British Possessions.				
		Quarters.			Quarters.		
Russia	26,700	India	..	..	111,660
Others	25,000				
			<hr/>				<hr/>
		Quarters	51,700			Quarters	111,660

UNENUMERATED.

From Foreign Countries.	From British Possessions.
63,950 Quarters.	205,130 Quarters.

Shells. (Value only entered.)

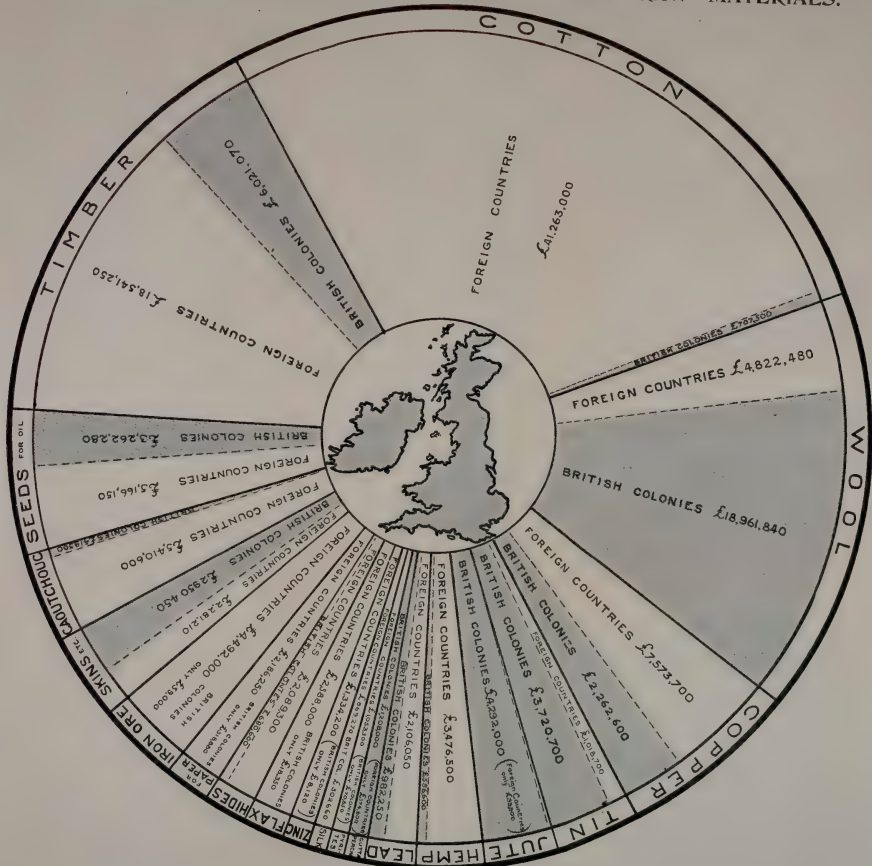
From Foreign Countries.	From British Possessions.
£100,100	£400,780

Silk.

SILK KNUBS AND WASTE.

From Foreign Countries.		From British Possessions.			
	Cwts.		Cwts.		
China	..	13,950	Hong Kong	..	18,100
France	..	5,750	Others	..	3,670
Others	..	6,680			
		<hr/>			<hr/>
	Cwts.	26,380		Cwts.	21,770

BRITISH TRADE AND THE ZOLLVEREIN ISSUE: RAW MATERIALS.



A Graphic Representation of the Sources of our Imported Raw Materials, distinguishing the proportions derived from Foreign Countries and British Possessions respectively.

		RAW SILK.	
From Foreign Countries.		From British Possessions.	
Lbs.		Lbs.	
China ..	741,700	India	207,230
France ..	281,960	Others	6,820
Others ..	94,760		
	<hr/>		<hr/>
	Lbs. 1,118,420		Lbs. 214,050

Skins and Furs.

		GOATSKINS (UNDRESSED).	
From Foreign Countries.		From British Possessions.	
Number.		Number.	
France ..	2,000,000	India	11,700,000
Russia ..	1,300,000	Cape	1,250,000
Others ..	2,812,000	Others	539,400
	<hr/>		<hr/>
	Number 6,112,000		Number 13,489,400

		SHEEPSKINS (UNDRESSED).	
From Foreign Countries.		From British Possessions.	
Number.		Number.	
Argentine ..	1,398,000	New Zealand ..	4,390,000
Others ..	2,288,800	Cape Colony ..	3,316,000
	<hr/>	Others	3,716,580
	<hr/>		<hr/>
	Number 3,686,800		Number 11,422,580

		OTHER SKINS.	
From Foreign Countries.		From British Possessions.	
Number		Number	
	131,100		22,359

		RABBIT SKINS.	
From Foreign Countries.		From British Possessions.	
Number.		Number	
Belgium ..	9,000,000	Australasia ..	24,795,575
Others ..	7,384,670	Others	50,000
	<hr/>		<hr/>
	Number 16,384,670		Number 24,845,575

		SEALSKINS.	
From Foreign Countries.		From British Possessions.	
Number.		Number.	
Norway ..	49,000	Newfoundland ..	173,750
U.S.A. ..	42,000	Others	43,450
Others ..	71,800		
	<hr/>		<hr/>
	Number 162,800		Number 217,200

		OTHER FURSKINS.	
From Foreign Countries.		From British Possessions.	
Number		Number	
	6,531,650		5,151,530

Slates.

From Foreign Countries.		From British Possessions.	
Number		Number.	
U.S.A. ..	32,474,300		
Others ..	14,779,040		
	<hr/>		<hr/>
	Number 47,253,340		Number 1,046,677

Stones, Marble, &c.

From Foreign Countries.		From British Possessions.	
Tons		Tons	
	774,090		366 920

Wood and Timber.

From Foreign Countries.		HEWN FIR.	From British Possessions.	
Loads.			Loads.	
Germany ..	508,120	Canada	272,300	
Russia	493,500	Others	2,500	
Others	304,850			
	<hr/>		<hr/>	
	Loads 1,306,470		Loads 274,800	

From Foreign Countries.		HEWN OAK.	From British Possessions.	
Loads.			Loads.	
U.S A.	101,000	Canada	14,550	
Others	57,500			
	<hr/>		<hr/>	
	Loads 158,500		Loads 14,550	

From Foreign Countries.		HEWN TEAK.	From British Possessions.	
Loads.			Loads.	
Siam	3,300	Burmah	35,800	
Others	3,400	Others	9,970	
	<hr/>		<hr/>	
	Loads 6,700		Loads 45,770	

From Foreign Countries.		PIT WOOD.	From British Possessions.	
1,876,100 loads.			3,700 loads.	

From Foreign Countries.		HEWN (unenumerated).	From British Possessions.	
Loads ..			Loads ..	
	43,880		26,040	

From Foreign Countries.		FIR, SAWN OR SPLIT.	From British Possessions.	
Loads.			Loads.	
Russia	1,807,900	Canada	1,459,380	
Sweden	1,673,900	Others	20,790	
Others	1,133,550			
	<hr/>		<hr/>	
	Loads 4,615,350		Loads 1,480,170	

From Foreign Countries.		SAWN OR SPLIT WOOD (unenumerated).	From British Possessions.	
Loads ..			Loads ..	
	127,040		58,450	

From Foreign Countries.		STAVES.	From British Possessions.	
Loads ..			Loads ..	
	135,306		4,750	

From Foreign Countries.		MAHOGANY.	From British Possessions.	
Tons ..			Tons ..	
	30,920		43,260	

From Foreign Countries.		UNENUMERATED FURNITURE WOODS.	From British Possessions.	
Tons ..			Tons ..	
	134,464		107,186	

Wool.

ALPACA, VICUNA, AND LLAMA.

From Foreign Countries.		From British Possessions.	
Lbs.		Lbs.	
Peru	4,641,250		
Others	776,670		
	<hr/>		
Lbs.	5,417,920		Nil.

MOHAIR.

From Foreign Countries.		From British Possessions.	
Lbs.		Lbs.	
Turkey	8,814,700	Cape Colony	10,236,570
Others	342,400	Others ..	660,970
	<hr/>		<hr/>
Lbs.	9,157,100	Lbs.	10,897,540

SHEEP OR LAMBS' WOOL.

From Foreign Countries.		From British Possessions.	
Lbs.		Lbs.	
Argentina ..	41,238,000	Australia .	334,352,000
Others	72,524,000	New Zealand	139,526,000
	<hr/>	Others	99,317,000
Lbs.	113,762,000	Lbs.	573,195,000

WOOL—OTHER KINDS.

From Foreign Countries.	From British Possessions.
3,146,230 lbs.	24,980 lbs.

WOOLLEN RAGS.

From Foreign Countries.	From British Possessions.
29,149 Tons.	750 Tons.

I have thus enumerated some forty raw materials which we import in great quantities. The list is not quite complete, for I have omitted a few articles such as brimstone and tow, which might properly be included. In nearly every case I have given both for the foreign and colonial supplies details as to the places of chief production.

The reader cannot fail to be struck by the fact that by far the greater part of our raw materials is drawn from foreign lands, although in nearly every case we obtain a proportion of the article from some part of Greater Britain. In a certain number of cases we draw larger supplies from the colonies than from foreign countries. The most remarkable instance is wool, of which we buy more than three times as much from Australasia as from the rest of the world. Jute we buy almost entirely from India, and gutta-percha and tin are other articles which Greater Britain produces in

such large quantities as to make it the chief source of our supplies of those particular products.

In the following table I have summarised all the items detailed. To do this I have had to take values, instead of quantities as in the previous tables:—

Values of Raw Materials Imported.

[Thicker type is used to distinguish the few materials which are drawn more largely from Greater Britain than from foreign lands.]

	From Foreign Countries. £	From British Possessions. £
Asbestos	68,700	34,900
Bristles	482,000	45,600
Canes and sticks	101,900	66,850
Caoutchouc	5,410,600	419,500
Cork	233,000	1,000
Cotton	41,263,000	707,500
Flax	2,588,000	18,350
Galls	128,242	500
Gums	508,000	788,000
Gutta-percha	174,600	1,208,000
Hair (of all kinds)	415,850	46,200
Hemp	3,476,500	556,600
Hides	2,089,300	680,600
Horns	84,500	80,000
Ivory	197,700	138,000
Jute	33,800	4,292,000
Metals—		
Copper (not wrought)	7,573,700	2,262,600
Iron ore	4,492,000	59,000
Lead	2,106,050	982,250
Manganese	346,200	112,500
Pyrites	1,050,300	70,850
Mercury	322,300	950
Tin	1,018,700	3,720,700
Zinc	1,334,200	8,120
Miscellaneous ores	279,900	52,500
Unenumerated metals		
(unwrought)	227,400	13,700
Mica, talc, &c.	38,200	103,350
Paper-making materials	2,186,250	318,880
Piassava fibres, &c.	141,500	42,900
Plumbago	109,760	192,270
Seeds, nuts, &c., for oil pressers	5,166,150	3,262,280

Shells	100,100	400,780
Silk	869,270	302,660
Skins and Furs	2,281,210	2,950,450
Slates	268,460	4,500
Stone, marble, &c.	1,157,000	205,350
Timber	18,541,250	6,021,070
Wool	4,822,480	18,961,840
	<hr/>	<hr/>
	£110,688,070	£49,124,120

(Together, £159,812,190, or nearly the whole of our imports of raw materials, as will be seen by reference to the figures given at the beginning of this chapter.)

The articles enumerated, it will be seen, amount in value to £160,000,000, accounting for nearly the whole of our imports of raw materials. It should not be forgotten, in this connection, however, that many manufactured articles which we import also form the basis of home industries.

The facts I have detailed make it perfectly clear that if we are to remain an industrial people we have no choice but to continue to admit foreign raw materials to our ports free of duty, and I cannot but think that when the colonial exporters who are pressing for preferential treatment in our markets have the case brought calmly and dispassionately before them, they will be the first to admit that we could only adopt their policy at the price of our commercial and industrial position. Unfortunately, the nature of colonial exports makes it impossible to give our colonies preferential treatment unless we resort to the taxation of foreign food and materials. Now it can easily be seen by consulting the tariffs of ultra-protectionist countries that all of them have the sense to admit duty free the materials which they require for their industries, and which they do not themselves produce. Indeed, the case on this point is so strong that one hesitates to believe that it could even be suggested by anyone in his senses that we should place duties upon the £120,000,000 of *raw materials* we buy from foreign lands in order to make it possible for our colonists to increase their sales to us, and induce them to give a preferential treatment to our *manufactures*. But, incredible as it seems, the suggestion is being made, and until it is dropped it is the bounden

duty of every business man to fight it. I cannot believe that the figures I have given have been brought to the attention of Lieut.-Colonel Denison and the Canadian organisation on whose behalf he is lecturing in this country. I direct his attention to them, and am curious to know whether, after considering them, he would still propose a 5 per cent. to 10 per cent. duty on *all* foreign goods entering British ports?

I may conclude this chapter by observing :

Two-thirds of the imported raw materials which are vital to our industries, purchased in the cheapest markets, are derived by us from foreign nations. We could not therefore, without severe injury to our national welfare entertain any proposal relating to Imperial Trade which would entail placing a duty upon foreign products, it being our obvious interest to buy materials in the best and cheapest markets.

CHAPTER IV.

The Case as to Food.

WE now come to the consideration of the sources of our food supplies. We imported in 1901 articles of food and drink as follows:—

	£
Living animals for food	9,400,000
Articles of food and drink (duty free) ..	162,949,000
Articles of food and drink (dutiable) ..	47,595 000
	<hr/>
	219,944,000
	<hr/>

This is equivalent to five pounds per annum per head of our population, or, taking a family as five persons, £25 per annum (or 10s. per week) per family. This simple calculation is one to be borne in mind, for it helps us to realize what an increase of 10 per cent., or even 5 per cent., in the cost of imported food would mean to the larger part of the British people.

I now set out, as in the case of raw materials, the quantities of the chief items of food imported in 1901, and the following brief tables, which show, it will be seen, the ratio of foreign to colonial supplies under each head, and also the chief countries and colonies upon which we depend for each article, will repay careful study.

The figures given are for 1901 and are taken from the annual statement compiled by the Custom House.

Articles of Food entered Duty Free (in 1901).

Living Animals.

From Foreign Countries.		From British Possessions.	
	Values.		Values.
Oxen and Bulls	£7,317,221		£1,443,151
Cows	6,924		72,104
Calves	9		1,255
Sheep & Lambs	486,633		99,506
	<hr/>		<hr/>
	£7,810,787*		£1,616,016

* Supplies of living animals from Argentina prohibited during a great part of 1901.

Butter.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Denmark	1,597,000	From Canada	215,000
Russia	378,000	„ Others	417,000
Others	1,096,000		<hr/>
	<hr/>		Cwts. 632,000
	Cwts. 3,071,000		

Cheese.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A.	540,000	From Canada	1,547,000
Holland	316,000	„ Others	80,000
Others	103,000		<hr/>
	<hr/>		Cwts. 1,627,000
	Cwts. 959,000		

Corn, Grain, Meal, Flour, &c.

WHEAT.			
From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A.	40,466,000	Canada	6,692,000
Argentina	8,080,000*	Australia	5,438,000
Russia	2,541,000	India	3,341,000
Others	1,767,000	New Zealand	1,383,000
	<hr/>		<hr/>
	Cwts. 52,854,000		Cwts. 16,854,000

*It should be noted that Argentina sent us 18,000,000 cwts. in 1900, and that figure is likely to be greatly exceeded in a few years.

BARLEY.			
From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Russia	8,153,000	Canada	420,000
Turkey	4,635,000	Others	32,000
Others	8,633,000		<hr/>
	<hr/>		Cwts. 452,000
	Cwts. 21,421,000		

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Russia ..	12,609,000	Canada ..	1,154,000
Others ..	8,586,000	Others ..	171,000
	<hr/>		<hr/>
Cwts.	21,145,000	Cwts.	1,325,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	313,000	Canada..	394,000
Others ..	558,000		
	<hr/>		<hr/>
Cwts.	871,000	Cwts.	394,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	440,000	Canada ..	707,000
Others ..	710,000	Others ..	185,000
	<hr/>		<hr/>
Cwts.	1,150,000	Cwts.	892,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Egypt ..	808,000		
Others ..	1,015,000		
	<hr/>		<hr/>
Cwts.	1,823,000	Cwts.	45,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	25,565,000	Canada ..	2,085,000
Roumania ..	10,017,000		
Argentina ..	10,443,000		
Others. . .	3,262,000		
	<hr/>		<hr/>
Cwts.	49,287,000	Cwts.	2,085,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
France ..	67,000	Canada ..	9,000
Others ..	73,000		
	<hr/>		<hr/>
Cwts.	140,000	Cwts.	9,000

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	19,000,000	Canada ..	1,358,000
Others ..	1,671,000	Others ..	548,000
	<hr/>		<hr/>
Cwts.	20,671,000	Cwts.	1,906,000

From Foreign Countries.		From British Possessions.	
	748,000 cwts.		92,000 cwts.

THE ZOLLVEREIN ISSUE.

MAIZE MEAL.

From Foreign Countries.	From British Possessions.
1,687,000 cwts.	600 cwts.

OTHER MEALS.

From Foreign Countries.	From British Possessions
285,147 cwts.	32,400 cwts.

Eggs.

From Foreign Countries.	From British Possessions.
Gt. Hundreds.	Gt. Hundreds.
Russia 4,292,000	Canada .. . 704,000
Denmark .. 3,019,000	Others .. . 5,000
Others.. .. 9,052,000	
<hr/>	<hr/>
Gt. Hundreds 16,363,000	Gt. Hundreds 709,000

Farinaceous Substances.

RICE, RICE MEAL, AND FLOUR.

From Foreign Countries.	From British Possessions.
	Cwts.
	Burmah .. 4,651,000
	Others .. . 2,104,000
<hr/>	<hr/>
Cwts. 1,454,000	Cwts. 6,755,000

SAGO AND SAGO MEAL AND FLOUR.

From Foreign Countries.	From British Possessions.
1,520 cwts.	512,064 cwts.

STARCH, FARINA, AND DEXTRINE.

From Foreign Countries.	From British Possessions.
1,388,000 cwts.	28,000 cwts.

OTHER FARINACEOUS SUBSTANCES (only value entered).

From Foreign Countries.	From British Possessions.
£265,344.	£304,668.

Fish, Fresh and Salted (including Oysters and Shell Fish).
Values.

From Foreign Countries.	From British Possessions.
£2,735, 598.	£885,705.

Honey.

From Foreign Countries.	From British Possessions.
21,000 cwts.	10,500 cwts.

Lard.

From Foreign Countries.	From British Possessions.
Cwts.	Cwts.
U.S.A. 1,934,000	
Others 12,000	
<hr/>	<hr/>
Cwts. 1,946,000	Cwts. 115,000

Margarine.

From Foreign Countries.	From British Possessions.
965,772 cwts.	2,021 cwts.

Fruit of all kinds (see also under Duty Paid List).

	Values.	
	From Foreign Countries.	From British Possessions.
Apples	£722,946 ..	£459,836
Apricots and peaches (raw)	29,840 ..	2,510
Bananas (raw)	741,658 ..	133,882
Cherries (raw)	213,548 ..	37
Currants (raw)	75,308 ..	—
Gooseberries (raw) ..	11,420 ..	—
Grapes (raw)	602,352 ..	92,590
Lemons, limes, and citrons	434,037 ..	477
Nut almonds	410,315 ..	3,807
Other nuts	560,410 ..	116,098
Oranges	2,091,985 ..	27,743
Pears (raw)	282,881 ..	13,530
Plums (raw)	238,309 ..	5,396
Strawberries (raw) ..	51,132 ..	158
Other raw fruits	283,105 ..	18,908
Other dried fruits ..	209,791 ..	17,612
Fruit, preserved, canned, or bottled	411,801 ..	117,856
Fruit, preserved, other ..	169,418 ..	16,675
Fruit juice (not dutiable)	19,327 ..	23,336
	<hr/>	<hr/>
	£7,559,583 ..	£1,050,451

Meat.**BACON.**

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	4,244,000	Canada ..	398,697
Denmark ..	1,061,000	Others ..	74
Others ..	68,000		
	<hr/>		<hr/>
Cwts. ..	5,373,000	Cwts.	398,771

BEEF (Fresh).

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	3,180,000	Australasia ..	471,000
Argentina ..	772,000	Canada ..	20,000
Others ..	66,000		
	<hr/>		<hr/>
Cwts. ..	4,018,000	Cwts.	491,000

BEEF (Salted).

From Foreign Countries.	From British Possessions.
196,000 cwts.	8,000 cwts.

HAMS.

From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
U.S.A. ..	1,730,000	Canada ..	126,000
Others ..	5,000		
	<hr/>		<hr/>
Cwts. ..	1,735,000	Cwts.	126,000

Meat (continued).

MUTTON (Fresh).			
From Foreign Countries.		From British Possessions.	
	Cwts.		Cwts.
Argentina ..	1,272,000	New Zealand ..	1,488,000
Others ..	419,000	Others ..	519,000
	Cwts. 1,691,000		Cwts. 2,007,000

OTHER MEAT.

From Foreign Countries.		Values.	From British Possessions.	
Fresh Pork ..	..	£1,697,460	..	£18,173
Salted Pork ..	..	301,368	..	22,800
Rabbits ..	..	289,351	..	359,475
Unenumerated ..		1,084,529		35,918
Preserved Beef ..		1,059,295		230,598
„ Mutton ..		16,251		151,892
„ Other sorts		703,885		120,384
		£5,152,139		£939,240

Milk (chiefly condensed).

From Foreign Countries. £700,488	From British Possessions. £475
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Olive Oil.

From Foreign Countries. £581,413	From British Possessions. £480
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Oil-Seed Cakes.

From Foreign Countries. £2,303,461	From British Possessions. £110,185
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Pickles and Preserved Vegetables.

From Foreign Countries. £144,304	From British Possessions. £777
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Poultry and Game.

From Foreign Countries. £949,184	From British Possessions. £31,573
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Spices.

	From Foreign Countries.	From British Possessions.
Cinnamon £609	.. £41,094
Ginger ..	.. 12,787	.. 78,999
Pepper ..	.. 73,582	.. 375,255
Other ..	.. 66,559	.. 86,025
	£153,537	£581,373

Vegetables.

	From Foreign Countries.	From British Possessions.
Dried vegetables	£139,607	£835
Canned	251,614	1,999
Onions	866,765	2,632
Potatoes	1,369,831	481,756
Tomatoes	467,231	266,240
Other sorts	345,486	44,343
	<hr/>	<hr/>
	£3,440,534	£797,805

Imported Articles of Food Subject to Duty (in 1901).

Cocoa**UNMANUFACTURED.**

	From Foreign Countries. Lbs.	From British Possessions. Lbs.
Portugal ..	13,512,000	West Indies 15,677,000
Others ..	17,773,000	Others .. 4,837,000
	<hr/>	<hr/>
	Lbs. 31,285,000	Lbs. 20,514,000

MANUFACTURED COCOA.

	From Foreign Countries. Lbs.	From British Possessions. Lbs.
Holland ..	4,000,000	
Others ..	4,390,000	
	<hr/>	<hr/>
	Lbs. 8,390,000	Lbs. 338

Coffee (raw and other).

	From Foreign Countries. Cwts.	From British Possessions. Cwts.
Brazil ..	134,000	India 182,000
Costa Rica	133,000	
U.S.A. ..	103,000	
Others ..	408,000	Others .. 43,000
	<hr/>	<hr/>
	Cwts. 778,000	Cwts. 225,000

Spirits.

	From Foreign Countries.	From British Possessions.
Rum	£85,434	£424,516
Brandy	1,384,450	4,184
Gin.. ..	65,777	14
Unenumerated	290,641	15,637
Liqueurs, &c.	163,183	1,135
	<hr/>	<hr/>
	£1,989,485	£445,486

THE ZOLLVEREIN ISSUE.

Sugar (became liable to Duty in April, 1901, but all 1901 importations of sugar are for convenience included here).

	From Foreign Countries.	From British Possessions.
Refined	£12,948,656	£178
Unrefined	5,414,029	963,995
Molasses	364,376	953
Glucose	629,828	22,122
Saccharin	24,770	—
	<hr/>	<hr/>
	£19,381,659	£987,248

Articles Containing Sugar (therefore Dutiable).

	From Foreign Countries.	From British Possessions.
Candied peel	£6,611	—
Caramel	10,612	—
Cattle foods	731	2
Cherries	21,484	—
Chutney	112	9,295
Confectionery & chocolates	138,289	715
Fruits in sugar, jam, &c...	242,507	170,630
Milk (condensed sweetened)	1,107,736	846
	<hr/>	<hr/>
	£1,528,082	£181,488

Tea.

From Foreign Countries.		From British Possessions.	
	Lbs.		Lbs.
China	17,860,000	Ceylon	104,000,000
Others	10,360,000	India	160,000,000
	<hr/>	Others	3,000,000
Lbs.	28,220,000	Lbs.	267,000,000

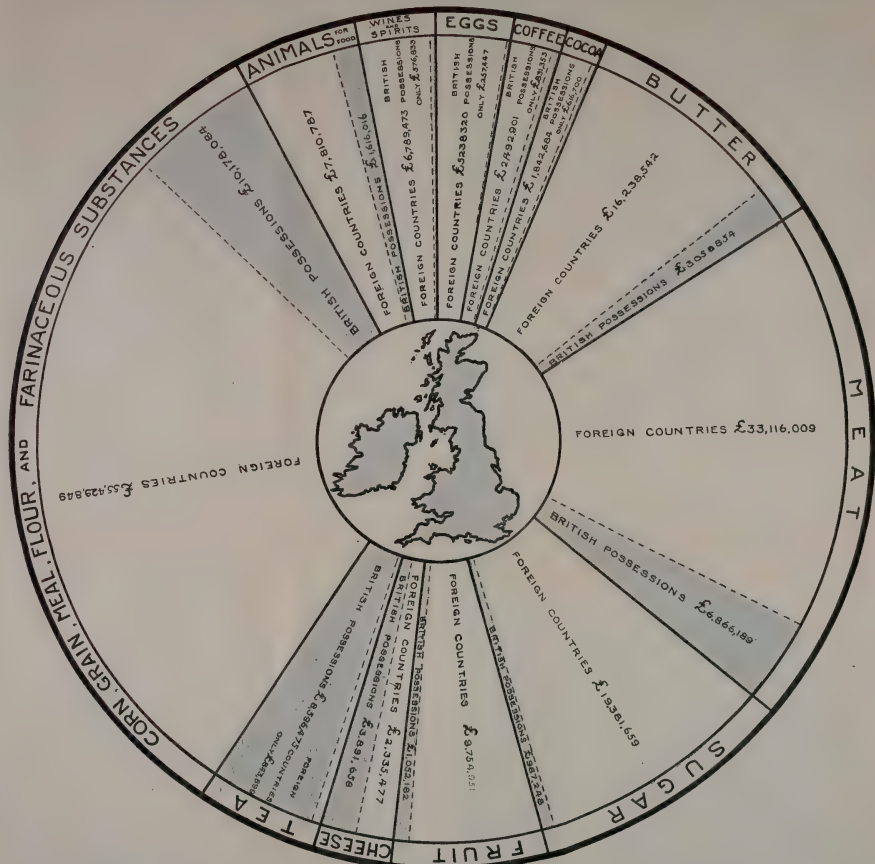
Wine.

From Foreign Countries.		From British Possessions.	
	Gallons.		Gallons.
France	5,518,000	Australia	735,000
Spain	4,184,000	Others	20,000
Portugal	3,908,000		<hr/>
Others	2,181,000	Gals.	755,000
	<hr/>		
Gals.	15,791,000		

Miscellaneous.

	From Foreign Countries.	From British Possessions.
	Values.	
Beer and ale	£163,777	£66
Chicory	46,785	11
	<hr/>	<hr/>
	£210,562	£77

BRITISH TRADE AND THE ZOLLVEREIN ISSUE: OUR FOOD SUPPLIES.



A Graphic Representation of our Imported Food Supplies, distinguishing the proportions derived from Foreign Countries and British Possessions respectively.

Fruit (*See also under Free List*).

	From Foreign Countries.	From British Possessions.
Currants	£1,037,890	£96
Figs	186,589	91
Plums (French)	57,345	7
„ (dried)	47,305	1,510
Prunes	22,012	—
Raisins	844,227	27
	<hr/> £2,195,368	<hr/> £1,731

It is now convenient to summarise the articles detailed above, and to do this I have to take values in each case. The results are:—

Summary of Articles entered Duty Free (in 1901).

(*Thicker type is used to distinguish articles drawn more largely from British possessions than from foreign countries.*)

	Foreign Countries.	British Possessions.
Living animals	£7,810,787	£1,616,016
Butter	16,238,542	3,058,854
Cheese	2,335,477	3,891,658
Corn, grain, meal, flour, &c. :—		
Wheat	17,540,376	5,540,996
Barley	6,028,644	134,368
Oats	5,967,622	380,097
Rye	231,544	112,889
Peas	445,777	301,391
Beans.. ..	612,734	17,097
Maize.. ..	11,911,001	476,224
Buckwheat	43,070	3,275
Wheatmeal and flour.	9,484,334	857,185
Oatmeal	530,927	45,205

	Foreign Countries.	British Possessions.
Maize meal	457,153	192
Other meal	75,268	7,971
Eggs	5,238,320	257,447
Farinaceous substances :		
Rice, &c.	683,361	1,794,104
Sago, &c.	644	191,116
Starch, farina, and dextrine	782,050	11,336
Other farinaceous substances	265,344	304,688
Fish	2,735,958	885,705
Fruit (duty free)	7,559,583	1,050,451
Honey	28,630	14,508
Lard	3,951,657	240,271
Margarine	2,563,989	3,379
Meat :		
Bacon	12,668,501	921,675
Beef, Fresh	8,121,040	785,799
,, Salted	255,011	12,345
Hams.. .. .	4,223,566	304,822
Mutton, fresh	2,695,752	3,902,328
Other meats	5,152,139	939,220
Milk	700,488	475
Olive Oil.	581,413	480
Oil Seed Cake	2,303,461	110,185
Pickles, &c.	114,304	777
Poultry and Game	949,184	81,573
Spices	153,537	581,373
Vegetables	3,440,534	797,805
	£144,881,722	£29,585,248

Summary of Articles of Food Imported Subject to Duty (in 1901).

*Thicker type is used to distinguish articles drawn more largely from
British Possessions than from Foreign Countries.)*

	From Foreign Countries.	From British Possessions.
Cocoa (unmfd. & mfd.).	.. £1,842,684	£616,700
Coffee .. .. .	.. 2,492,901	831,353
Spirits .. .. .	.. 1,989,485	445,486
Sugar .. .. .	.. 19,381,659	987,248
Articles containing sugar	.. 1,528,082	181,488
Tea .. .. .	.. 843,899	8,596,475
Wine .. .. .	.. 4,799,988	181,347
Fruit (preserved, not in sugar) .. .. .	.. 2,195,368	1,731
Miscellaneous .. .. .	.. 210,562	77
	£35,284,628	£11,791,905
	£35,284,628	£11,791,905

The figures given being those of 1901, corn appears, of course, in the duty-free list.

It will be seen that, of the many articles of food detailed, only in a few cases are our supplies drawn more largely from British Possessions than from foreign countries, and of these tea, mutton and cheese are the only ones of importance.

I almost apologise for also calling attention to the fact that our different Possessions produce very varying food products, a fact which it would pass the wit of man to alter. Ceylon and India send us almost all our tea, which we tax for revenue purposes, but which is not supplied by foreign countries. China tea is never likely to regain the favour of those accustomed to the more pungent varieties of Ceylon and India. Burmah sends us rice instead of tea. Canada sends us about one-twelfth of our imported wheat and one-twentieth of our imported flour. Australia and

India send us a little grain, supplies not enough to greatly affect the market if they entirely ceased, but Australasia sends us a good deal of mutton.

It is in connection with food that the question of preferential tariffs has been most talked of, because the transference of corn to the list of dutiable articles has made it possible for us to relax that duty in favour of colonial grain. I may say at once that save for the matter of principle the corn duty is not of great consequence. But the principle is of such grave importance that, while I could welcome with pleasure the withdrawal of the tax so far as the colonies are concerned as being a partial withdrawal of what I consider to be an unwise impost, I am compelled to point out the inevitable consequences of taking such a step.

For who would benefit by the preference to colonial corn? We may neglect every article affected, except wheat, because the colonial supplies under the other heads are quite insignificant. What are the facts as to colonial wheat? I give the table in full from the 1901 records of the Custom House:—

Wheat from British Possessions.

From British East Indies :	Cwts.
Bombay.. .. .	3,315,600
Bengal	25,900
,, Australia :	
W. Australia	Nil
S. Australia	1,319,200
Victoria.. .. .	2,975,500
N.S.W.	1,143,000
Queensland	Nil
Tasmania	Nil
,, New Zealand	1,383,100
,, Canada	6,691,710
,, Other British Possessions	Nil
	16,854,010

This enables us to see which colonies would benefit by the

exemption of colonial grain from the new corn tax. Canada sends us considerably more than one-third of our wheat supplies from British possessions and would therefore benefit in the same ratio. India with her urgent and chronic need of Imperial assistance would benefit less than one-half the extent of Canada, taking the figures of 1901 as normal, but in 1900 India was unable to export a single grain of corn, and in view of the fact that so many thousands of human beings starved to death in India last year, it is not pleasant to think that even a small exportation of corn took place in 1901. As for Australasia, Victoria would gain a little, South Australia and New South Wales less, and West Australia, Queensland and Tasmania not at all. New Zealand sends us a little wheat, but all the other British possessions put together send us none.

The benefit we should confer on colonial producers of grain would, therefore, be most unequally distributed amongst the British Possessions. To put it in percentages :

Canada would take approximately	42	per cent. of the advantage
India	20	„ „ „
Australia	30	„ „ „
New Zealand	8	„ „ „
Cape Colony would gain	nothing	
Natal would gain	nothing	
Orange Colony would gain	nothing	
Transvaal would gain	nothing	
Ceylon would gain	nothing	
Remainder of the Empire would gain	nothing.	

What, then, would be the natural consequences of such a step as a differentiation in duty between colonial and foreign corn? We should be compelled, step by step, to make endeavours to confer equal advantages upon all our possessions. I say endeavours advisedly, for we could never do it with any kind of equal incidence, but we could, by taxing all kinds of meat—beef, mutton, pork, hams, bacon, rabbits, &c.—and other foods, such as eggs, butter, cheese, &c., set up duties which we could in turn relax in favour of different parts of our possessions according to the nature of their productions.

To put it briefly, we could tax the larger part of our food imports, which we at present obtain from foreign countries simply

because they are the best sources of supply, to confer unequal benefits upon our colonists, and in the process make every article of food dearer to our people, reducing the standard of their comfort, the value of their wages, the strength of their bodies, and their fitness as an industrial nation.

In the case of India and Ceylon we are quite unable, as I have already pointed out, to give a preference at all, because we import no tea from foreign countries save the little from China.

I may here usefully direct the attention of those whose leanings to Protection induce them to favour the idea of preferential tariffs to the fact that even on the theory of Protection there is nothing to be said for such proposals. Some Canadians aver that in twenty years they will be able to sell enough grain to feed all our people. Accept that as true. How will it benefit the British farmer from the point of view of Protection if such enormous supplies of Canadian grain are allowed to enter free of duty. How will that render us independent of sea borne supplies, or free us from the spectre of famine in time of war? If Protection be our ideal, then the British farmer and the British manufacturer need sufficient protection against the Canadian farmer and the Canadian manufacturer equally as against the producer in America a little further South. If Free Trade be our ideal then the British farmer and the British manufacturer need no protection as against either foreigners or colonials. A Zollverein, or "sort of Zollverein," will from neither point of view stand examination.

I sum up this chapter by observing:—

More than seventy-five per cent. of our food supplies, purchased in the cheapest and best markets, is derived from foreign countries. The productions of our different colonies vary so greatly that to give anything like equal advantage to all of them we should be compelled to tax nearly every imported foreign foodstuff. As our imported food amounts to £25 per annum per family of our people, such a course could only result in lowering the standard of comfort and strength of our enormous population to benefit the few British colonists who produce foodstuffs.



BRITISH TRADE AND THE ZOLLVEREIN ISSUE: BRITISH EXPORTS.



A Graphic Analysis of the Destination of British Domestic Exports in 1901.

CHAPTER V.

Our Present Trade with Foreign Countries and British Possessions.

IT naturally follows from the facts already examined that we do a great deal more business with foreign countries than with British Possessions. It could scarcely be otherwise, for the great area of the British Empire outside the United Kingdom contains, as we have already shown, only 11 millions of white people. Our oversea trade amounts to £800,000,000 per annum, £600,000,000 of which is transacted with foreign countries and £200,000,000 with British Possessions:—

British Oversea Trade in 1901.

Imports.

From Foreign Countries	£416,904,643
,, British Possessions	105,405,650
	<hr/>
	£522,310,293

Exports.

To Foreign Countries.	£175,846,220
,, British Possessions	104,652,669
	<hr/>
	£280,498,889

Note: Of the £522,310,293 imports, £68,000,000 was re-exported.

I now proceed to set out the facts relating to our exchange of commodities with the world at large. In the accompanying tables I have distinguished British self-governing colonies from the other British Possessions. A glance down the lists will show the relative importance of our oversea customers. We do almost as much business with Norway and Sweden as with Canada. With Free Trade India we do as much trade as with Canada and Australia put together. Egypt, with its small revenue duties, does more with us than New Zealand, and so does the Argentine Republic. Other contrasts will suggest themselves to the reader. A great many of the imports from U.S.A. are amongst our most indispensable foods and materials.

Those who talk of the establishment of Free Trade within the Empire ignore the fact that to a very large extent it exists already. Broadly speaking, we already enjoy Free Trade, or virtual Free Trade, with British Possessions to which we send one-half of our domestic exports, and from which we derive nearly one-half of our colonial imports. I have made this clear in the table opposite by dividing the figures relating to the self-governing colonies from the remainder of the Empire. The Indian Empire, it will be seen, is our best British customer by far; but its tariff is a revenue one, and moderate at that. There is no closed door to us in India, although it might be urged (for our credit's sake I am glad to think it is not often urged) that India should not seek customers outside this country or buy goods from any land but ours. The tariffs of Ceylon and the Straits Settlements are also under Imperial control. Ceylon, like India, imposes revenue duties of a light character, and our remarks about India equally apply to it. The open door is the policy of the Imperial Government in Singapore. Now, our trade with the British East Indies, including in this term British India proper, Ceylon, and the Straits Settlements, is very considerable, as will be seen by the tables. It amounted to nearly £80,000,000 in 1901, being more than one-third of all our trade with British Possessions.

Our trade with Hong Kong amounts to £3,000,000 per annum, and here again we enjoy Free Trade. This trade should properly be classed as Chinese, not as Imperial. Still, as it figures in the

BRITISH TRADE WITH BRITISH POSSESSIONS, 1901.

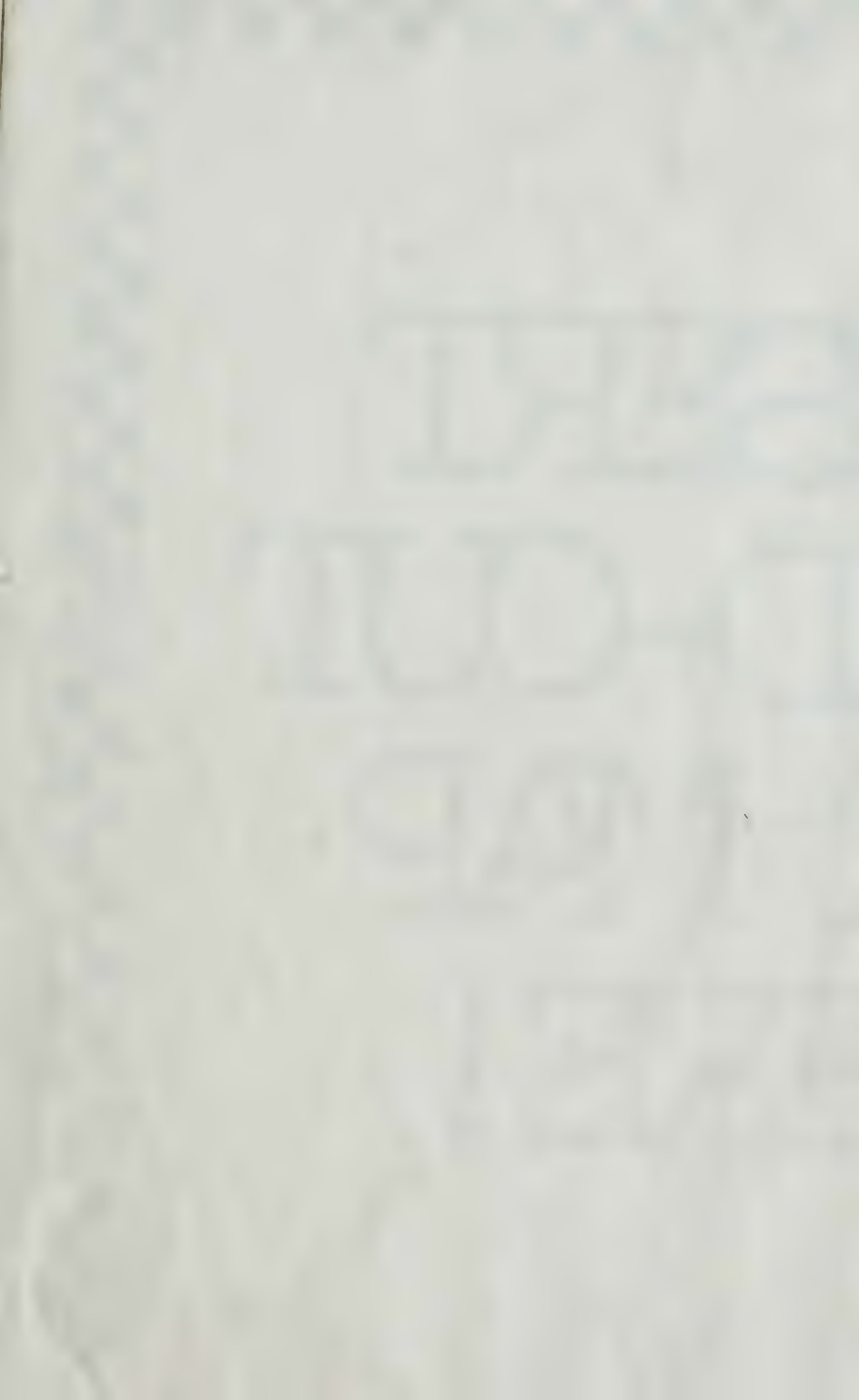
BRITISH POSSESSIONS.	Imports from (c.i.f.)	Domestic Exports to (f.o.b.)	TOTAL.
(1) SELF-GOVERNING COLONIES:			
Canada	£19,774,586	£7,796,660	£27,571,246
Newfoundland	533,596	357,155	890,751
*Cape of Good Hope	4,565,799	11,704,429	16,270,228
*Natal	589,204	5,301,270	5,890,474
AUSTRALIA:—			
West Australia	1,473,374	2,491,992	3,965,366
South „	2,380,594	1,935,903	4,316,497
Victoria	8,170,718	5,455,808	13,626,526
N. S. W.	10,024,941	8,674,147	18,699,088
Queensland	1,720,893	2,237,675	3,958,568
Tasmania	347,983	534,440	882,423
New Zealand	10,564,524	5,601,979	16,166,503
	60,146,212	52,091,458	112,237,670
(2) OTHER POSSESS- IONS:			
India	27,446,601	35,002,999	62,449,600
Straits Settlements	6,065,930	3,210,344	9,276,274
Ceylon	4,488,767	1,540,005	6,028,772
Hong Kong	709,934	2,603,804	3,313,738
This is really foreign trade with China.			
West Indies	1,722,564	1,912,476	3,635,040
Other Places	4,825,642	8,291,583	13,117,225
TOTAL	£105,405,650†	£104,652,669	£210,058,319

*Abnormal figures owing to the War. The figures of 1899 were: imports into Cape and Natal, £25,925,000; exports, £26,518,000. † A small part of this is re-exported.

BRITISH TRADE WITH FOREIGN NATIONS, 1901.

COUNTRY.	Imports from (c.i.f.)	Domestic Exports to (f.o.b.)	TOTAL.
U.S.A. . . .	£140,453,733	£18,400,931	£158,854,664
France. . . .	51,166,673	17,011,442	68,178,115
Germany . . .	32,481,732	23,588,940	56,070,672
Holland . . .	32,906,628	9,100,249	42,006,877
Belgium . . .	24,670,532	8,174,376	32,844,908
Russia	21,908,346	8,670,826	30,579,172
Argentina . . .	12,398,887	6,778,911	19,177,798
Spain	14,035,231	4,819,947	18,855,178
Egypt	11,956,215	6,311,964	18,268,179
Denmark . . .	14,238,710	3,616,442	17,855,152
Sweden	9,784,421	4,460,069	14,244,490
Italy	3,400,823	7,611,363	11,012,186
Japan	1,850,043	8,140,004	9,990,047
Brazil	4,924,592	4,157,567	9,082,159
China	2,114,051	6,774,568	8,888,619
Norway	5,565,458	3,256,230	8,821,688
Chili	5,044,289	3,233,808	8,278,097
Austria	1,207,105	2,099,107	3,306,212
Other Nations.	26,797,174	29,639,475	56,436,649
TOTAL . . .	£416,904,643*	£175,846,219	£592,750,862

* A small part of this is again exported.




BRITISH TRADE AND THE ZOLLVEREIN ISSUE: BRITISH IMPORTS.



A Graphic Analysis of the sources of British Imports in 1901.

BRITISH TRADE WITH FOREIGN NATIONS AND BRITISH POSSESSIONS CONTRASTED (1901).

 *British Possessions are distinguished by thicker type. The re-exportation of Foreign and Colonial Merchandise imported is not included in these figures.*

NATION OR COLONY.	TOTAL TRADE (i.e. Imports and Exports together).
U.S.A.	£158,854,664
France	68,178,115
India	62,449,600
Germany	56,070,672
Australia	45,448,468
Holland	42,006,877
Belgium	32,844,908
Russia	30,579,172
Canada	27,571,246
Argentina	19,177,798
Spain	18,855,178
Egypt	18,268,179
Denmark	17,855,152
Cape Colony	16,270,228
New Zealand	16,166,503
Sweden	14,244,490
Italy	11,012,186
Japan	9,990,047
Straits Settlements	9,276,274
Brazil	9,082,160
China	8,888,619
Norway	8,821,688
Chili	8,278,097
Ceylon	6,028,772
Natal	5,890,474
British West Indies	3,635,040
Hong Kong	3,313,738
Austria	3,306,212
Newfoundland	890,751
Other Foreign Nations	56,436,649
Other British Possessions	13,117,225
Total	<u>£802,809,182</u>

total of British Imperial trade in the official returns, I point out that it is done on a Free Trade basis on both sides. The next item in the list of "Other Possessions" in the table is the West Indies. Here the duties levied, although often heavy, are revenue and not protective measures. The trade at present amounts to 2½ millions sterling, and contiguity to the United States is an important factor.

It is hardly necessary to detail the other possessions outside our self-governing colonies. Their total trade with us amounts to £13,000,000 per annum, but it is not through the operation of protective tariffs that the sum is not larger. Thus, British West Africa has its tariffs arranged by the Imperial Government and the duties are for revenue only; general merchandise paying 10 per cent. *ad valorem*. Malta and Gibraltar trade with us on practically Free Trade principles.

Turning to the self-governing colonies, we are at once confronted with the unfortunate facts that make it possible for them to offer us preferential tariffs. Canada, Newfoundland, Australia, New Zealand, all have adopted a protectionist policy which, in view of the fact that the United Kingdom is by far the largest exporter of the articles chiefly protected, hits the British trader far more heavily than the foreigner. The tariff of the South African Customs Union cannot be termed protective. Its free list is very wide and embraces a large number of articles, from agricultural implements to wire, which we export largely. The reader will see how narrow the issue is getting. Free Trade within the Empire, which sounds such an alluring phrase, for all practical purposes *exists already* save as to:—

Exports to Canada	..	..	..	£7,796,000
„ „ Newfoundland	..	..	..	3,357,000
„ „ Australia	..	..	..	21,330,000
„ „ New Zealand	..	..	..	5,602,000
				<hr/>
				£38,085,000

It is assumed, in including Australia in this table, that the

protectionist tariff bill will be passed by the Commonwealth Legislature. Before the Commonwealth we enjoyed Free Trade with New South Wales, which thrived on the policy.

As our total exports to British Possessions amount to £104,652,000, it will be seen that we enjoy virtual Free Trade as to two-thirds of the markets of the British Empire, while the amount of our export trade which would be affected by the extension of Free Trade to every part of the Empire is only £38,000,000, or about one-eighth of our total exports. While, therefore, we should be delighted if our self-governing colonies opened their ports freely to British commodities, we cannot disguise the fact that, after all, it is not so great a matter as is usually represented in the vague utterances on the subject which are so common just now. But, as a matter of fact, our colonies do not, unfortunately, propose Free Trade within the Empire. The proposal which seems to find greatest favour, as I have already pointed out, is that the colonies should, in exchange for a *quid pro quo* of some sort, open their fiscal doors a little on our behalf, while keeping them tightly shut against the world at large. In this connection we have the benefit of experience. Some years ago, in 1897 to be precise, Canada reduced its tariff by 12½ per cent. in favour of the domestic exports of the United Kingdom, Bermuda, British West Indies, British Guiana and any other British Possessions, the Customs Tariff of which was as favourable to Canada as the Canadian Preferential Tariff was to them, provided also that manufactured articles be *bona fide* the manufacture of the country or countries entitled to benefit. In 1898, the preference was increased to 25 per cent. On July 1, 1900, the preference was again raised to 33½ per cent. The reduction does not apply to wines, malt liquors, spirits, liquid medicines, and articles containing alcohol, tobacco, cigars, and cigarettes.

Since 1897 British exports to Canada have increased, but it would be rash to assume that the increase is owing to the tariff preference, because some other nations, unfortunately, have increased their exports to the Dominion at a far greater rate than

ourselves. This is only too clearly shown by the following figures :—

EXPORTS TO CANADA OF—				
	Great Britain.	France.	Germany.	United States.
	Dols.	Dols.	Dols.	Dols.
1896 ..	33,001,997	2,782,693	6,454,705	59,290,166
1897 ..	29,328,576	2,507,128	5,785,546	66,140,617
1898 ..	32,408,551	4,090,506	5,763,784	83,020,035
1899 ..	36,816,665	3,879,872	7,381,149	97,102,957
1900 ..	44,962,547	4,464,682	8,706,641	109,208,353
1901 ..	42,966,128	5,503,177	6,677,959	115,971,092

So that the first attempt to put into practice the theory of preferential tariffs has not been very successful. It should be clearly borne in mind, however, that the Canadian preference is a reduction in a tariff which operates heavily against manufactures, while admitting raw materials free, or almost free of duty. Thus raw cotton from the United States goes in free, while cotton goods from England pay 25 per cent. to 35 per cent. *less one-third of 25 per cent. to 35 per cent.* Is it to be wondered at, therefore, that the United States is not much affected by the preference, for it has plenty of raw materials to sell, and we have none? Nevertheless, it is important to note that French and Belgian trade, in relation to which the preference should have given us a real advantage, has also prospered in Canada to a greater extent than ours. I may note, in passing, that Canada is outstripping the United States in protective measures. Canadian iron and steel is bounty fed; American is not. It is strange that those who make so much of the Continental sugar bounties are silent as to Canadian bounty-fed iron, some of which has already been landed in this country.

The working of the Canadian preferential tariff, therefore, shows us what is likely to happen if Australasia adopts the same principle. We should probably find that Australasian manufacturing interests would follow the example of Canada, and take away with one hand what they gave with the other, and that the result to British export trade would be as dubious as in the case of the

Dominion. But that is not all. The United States has, in regard to Canada, the overwhelming advantage of proximity. This is so great that even if Canada gave us free trade while maintaining heavy duties against the States, it would scarcely serve to stem the tide of American progress in the Canadian market.

This brief rehearsal of the chief points of our present trade with British possessions enables us to form an idea of the measure of gain that would accrue to us if our self-governing colonies made preferential trading arrangements with the United Kingdom. With the Canadian experiment before us we are driven to the conclusion that it is exceedingly doubtful whether we should benefit appreciably so far as export trade to our colonies is concerned.

We may now usefully return to our trade with foreign countries. It amounts, in round figures, to £600,000,000 per annum. In 1901 we imported from foreign countries commodities valued at £417,000,000 c.i.f. (a small part of which is again exported) and exported to them British goods valued at £176,000,000 f.o.b. It is this enormous trade which would be affected by either a true Zollverein or preferential tariff arrangements. The £417,000,000 of exports contains, as will be seen by reference to the last two chapters, about £300,000,000 *of food for our people and raw materials for our industries*, not to mention many millions' worth of crudely manufactured articles which also form the basis of industries. The £176,000,000 of exports forms nearly two-thirds of our export trade.

The following tables (suggested to me by Mr. Harold Cox), summarise the distribution of British commerce:—

The Distribution of British Trade in 1901.

U.K. Imports.

From	Value c.i.f.	Approximate percentage of Total.
Foreign Countries	£416,905,000	80
India and Ceylon	31,935,000	6
Australia	24,118,000	4½
Canada & Newfoundland	20,308,000	4
New Zealand	10,564,000	2
Cape Colony* }	4,566,000	1
Natal* }	589,000	
Other British Possessions	13,325,000	2½
	£522,310,000	100

*Figures less than normal, owing to the war.

U.K. Exports.

	Value f.o.b.	Approximate percentage of Total.
Foreign Countries	£175,846,000	62½
India and Ceylon	36,542,000	13
Australia	21,327,000	7½
Cape Colony and Natal	17,000,000	6½
Canada and Newfoundland	8,154,000	3
New Zealand	5,602,000	2
Other British Possessions	16,027,000	5½
	£280,498,000	100

It is, perhaps, superfluous to comment upon the above figures, but they have increased significance when it is remembered in connection with them that while our self-governing colonies are able to take such a small proportion of our exports, we take by far the greater part of theirs.

A discussion of this part of the subject would be incomplete without reference to the fact that our greatest competitor in

Canada is not any foreign nation, but Canada itself, which is making great strides in industry. This remark is or will be true, of course, of every other colony and country, and embodies a fact which it is idle to ignore or gloss over. In the time to come Canada will be able to sell us iron on better terms than we shall have iron to offer Canada, while instead of wool from the Antipodes we shall be offered a very fine assortment of woollens.

I may conclude this chapter by observing:—

Our Oversea Trade is valued at £800,000,000, of which £600,000,000 is transacted with foreign nations, and £200,000,000 with British Possessions. Apart from other considerations, therefore, it is obviously unwise to dislocate three-fourths of our commerce in the endeavour to increase the remaining fourth.

CHAPTER VI.

Our Commercial Treaty Relations with Foreign Countries.

THE nature of our present commercial treaties with foreign nations is a pertinent matter, for it affects nearly two-thirds of our export trade. Our only raw material export of consequence is coal. Our exports in 1901 consisted of (*a*) manufactured articles valued at £230,000,000; (*b*) articles of food and drink, that had for the most part passed through various manufacturing processes, £15,000,000; (*c*) raw materials (chiefly coal), £33,000,000. The following details are from the official returns:

United Kingdom Domestic Exports in 1901.

Living Animals	£742,499
Articles of food and drink	14,884,915
Raw materials	33,377,644
Manufactured articles:—	
Yarns and textiles	103,471,561
Metals	39,413,762
Machinery	17,855,335
Ships	9,159,876
Apparel, &c.	10,940,060
Chemicals	8,942,109
Miscellaneous	38,068,759
Parcels post	3,642,369
	<hr/>
	£280,498,889

Now the general principle of the protective tariffs of foreign nations, as of our self-governing colonies, is to provide heavy duties for manufactured articles, lighter duties for crudely manufactured articles which are used in native industry, and light duties or free entry for the raw materials of industry. It follows, therefore, that as our exports consist, as we have seen, almost entirely of manufactures, nearly everything we export is subject to duties in the ports of foreign nations and of our self-governing colonies. Our free trade system, however, gives us "most favoured nation" treatment by the world at large. It is gravely to be feared that if we established a Zollverein, or gave our colonies a tariff preference, there would be an end of most favoured nation treatment for British goods. To obtain most favoured nation treatment we must give it, either as we do now, by extending free trade to all, or by establishing a protectionist tariff on the general and conventional tariff system or the maximum and minimum tariff system, and placing the nations from which we desire most favoured nation treatment on the lower scale. With either of the tariff systems mentioned the practical effect is to establish two schedules of duties, a higher and a lower, the former the fighting tariff, the latter the "most favoured nation" tariff. *A British preferential tariff would correspondingly furnish a double scale.*

Suppose we placed a duty of 20 per cent. on all foreign imports and relaxed it by 25 per cent. in favour of colonial products. This would be equivalent to a maximum tariff of 20 per cent., and a minimum tariff of 15 per cent.; our colonies would become the "most favoured nations" of our tariff, and the foreigner, subjected to the maximum duty, would, in turn, place our commodities on his higher scale.

Now, as the greater part of our exports goes to foreign nations, it follows that we should suffer exceedingly. It may be as well to illustrate this point by a few examples from the tariff of France. The French tariff is arranged on the maximum and minimum theory, the lower scale, of course, being granted to countries apply-

ing to French goods *their lowest tariffs*. The following are items of particular interest to British exporters:—

Extracts from the French Tariff.

	Maximum Tariff. Francs.		Minimum (<i>i.e.</i> preferential) Tariff. Francs.
Iron or steel rails ..per 100 kilos.	7	..	6
Wrought steel axles..per 100 kilos.	10	..	8
Cotton tissues : Pure plain, twilled and ticks, unbleached, weighing 13 kilos. and over per 100 square metres, having in the warp and wool, in the space of 5 square mm., up to 43 threads.			
	per 100 kilos.	80 to 125	.. 62 to 9
Locomotives ..	,, ,,	20	.. 15

The difference between the maximum and minimum tariffs of France is sufficient, indeed, to ensure that the British exporter, if subjected to the higher scale, would have no chance in the French market with competitors enjoying most favoured nation treatment. Our exports to France in 1901 were valued at £17,000,000.

The importance of the point will be appreciated when it is remembered that, as a consequence of the Canadian preferential tariff, the Dominion has been denied most favoured nation treatment by Germany. Whether we should similarly suffer at the hands of Germany and other foreign nations if a preferential tariff arrangement were made with our colonies would depend, I take it, upon whether a really effective preference were created, and surely if the preference were not big enough to be effective it were mere pretence to give it at all.

The important conclusion to be drawn from the facts I have stated is:

At present we enjoy most-favoured-nation treatment with foreign nations (i.e., their preferential tariffs). If we establish preferential trading with our colonies, and so create maximum and minimum tariffs, the former for foreign nations and the latter for British possessions, we shall deprive ourselves of most-favoured-nation treatment for the greater part of our export trade.

CHAPTER VII.

Colonial Imports from Foreign Countries.

IT is also relevant to the Zollverein issue to take into account the present nature of colonial imports from foreign nations. It is obvious that if the purchasing power of our colonies is very much greater than their present imports from the United Kingdom we should gain by any arrangement which would confer a tariff preference upon our products. Let us examine the facts.

Our best customer is India, which takes one-third of our total exports to British Possessions (in 1901, £35,002,999). By reference to the Import Returns of India we find that India imports about £18,000,000 per annum more than we send her, but, of this, about one-third, or £6,000,000, comes from other parts of the British Empire. Our margin of possible gain, if the Indian market were absolutely reserved for British products is, therefore, narrowed to about £12,000,000 per annum, but, as a matter of fact, India imports about £2,500,000 of mineral oil, £2,500,000 of raw materials, and £1,000,000 of wine and food, which we could not supply. The margin of possible gain is thus whittled down to a matter of a few millions, so that if a really effective preferential arrangement gave us one half of it we should not benefit by an amount larger, or even as large, as the ordinary fluctuations of our trade with India now.

We turn to Canada, which imports far more largely from the

United States than from this country. In this case we have the advantage of experience of the working of a preferential tariff. It is ineffective chiefly for the reason already pointed out, viz., that Canada wants to purchase things we cannot supply. In the fiscal year 1901 Canadian purchases from the United States amounted to £23,000,000, as against only £8,500,000 from the United Kingdom, and this after years of trial of a tariff preference for British productions. Examine the list of Canadian purchases from the United States, and the reason is clear. I give a few items:

Some Canadian Imports from U.S.A., 1900-1901.

Fruit	£500,000
Hides and skins	500,000
Metals on the free list	1,800,000
Oils	300,000
Provisions	600,000
Seeds and roots	250,000
Tobacco	350,000
Vegetables	75,000
Wood	900,000
Cotton	1,000,000
Breadstuffs	3,000,000

It will be seen at a glance that here we have a large number of things which no artificial arrangement would affect to any great extent. We do not grow tobacco or cotton, nor can we supply food, or wood, or copper, or hides. But the United States has these things in abundance, and Canadians buy them for the same reason that we do, because they must have them, and from the best market. However, in view of the fact that the preferential tariff has been in existence since 1897, that since that date it has been twice increased, now standing at a reduction of $33\frac{1}{3}$ per cent. in the duties on behalf of British products, and that it has signally failed to increase British trade to the extent that American, Belgian and French trade has increased in the same period, it is hardly necessary to labour this part of the case further.

With regard to Australasia, it is the case that we already hold

by far the greater part of the import trade, the possible margin of increase amounting to about £12,000,000, *i.e.*, the amount of goods which Australasia now purchases from foreign countries. It is also only fair to point out that the Australian returns, as in the case of other colonies, credit as "British" the goods which we buy and sell again. German toys, for instance, figure in the Australian import return as "British" when they are exported to the Commonwealth from this country. The quantity of non-British goods which figure as British in the imports of our colonies can, however, be gauged by our own trade returns. In 1901 our domestic exports were £280,000,000, our re-shipments of foreign and colonial goods were £67,000,000. As this £67,000,000 includes colonial stuff, we may, perhaps, assume that £50,000,000 of it was foreign, so that our exports of domestic goods are to our re-exports of foreign goods as 280:50, or as 5.6:1. While this point must be taken into consideration, we must not omit to notice, as in the case of India and Canada, that Australia buys many things which we do not supply, as, in the food list, coffee, wines, maize, beans, &c., while many other articles suggest themselves, such as mineral oils, manures, grease, &c., which obviously we cannot compete in. The Australasian possibilities, therefore, are greatly narrowed by such obvious considerations, and we shall probably not be far wrong in saying that, of the present Australasian purchases from foreign countries, not more than 6 or 8 millions offer us any prospect of gain under a preferential arrangement. Whether Australian interests would consent to give an effective preference in the articles we can best supply remains to be seen; it is, to say the least of it, doubtful. I may be forgiven for again pointing out that if Australia, after arranging a protective tariff, relaxes it in our favour, the "preference" would be a sham, for America, able to supply food and raw materials, would escape the penalty, as in the case of Canada, while we, only able to supply manufactured articles, would meet with a tariff wall, with a few inches kindly taken off the top of it, it is true, but still a tariff wall.

With regard to South Africa, the best thing we can do is to

turn to the figures of 1899, which are a better guide than those of 1901. In that year the imports into the Cape and Natal amounted to £26,000,000, of which we supplied £18,000,000, leaving a not very great margin for gain under a preferential arrangement. It is hardly necessary to repeat the considerations to which I have referred already in the case of Australia, but they apply with even greater force.

The remainder of the Empire does not play a very great part in our trade statistics. To the British East Indies and the self-governing colonies we send £92,000,000 out of £104,000,000. If we pursued the enquiry with the balance of £12,000,000, the results would be much the same.

This chapter may be summed up as follows :

Our Export Trade to our colonies would certainly tend to increase through the establishment of a Zollverein or by the extension of an effective tariff preference to British Goods by our colonists. The total margin of trade to be won, however, is not very great, and is further reduced by the fact that colonial imports from foreign countries are made up largely of articles which the United Kingdom cannot supply.

CHAPTER VIII.

To Sum up.

I have now set out the chief facts which it is necessary to bear in mind if we would view our commerce in true perspective. These facts I have endeavoured to state with accuracy, and I have shown that they point to the following conclusions :

(1.) As to the population of the British Empire, the centre of gravity of the British race is still in the United Kingdom. We are overwhelmingly the predominant partner in the British federation, and our self-governing colonies can only offer us preferential trade with small populations, in exchange for preferential trade with $41\frac{1}{2}$ million people.

(2.) As to our supplies of raw materials, two-thirds of the imported raw materials which are vital to our industries, purchased in the cheapest and best markets, are derived by us from foreign nations. We could not, therefore, without severe injury to our national welfare, entertain any proposal relating to Imperial Trade which would entail placing a duty upon foreign products, it being our obvious interest to buy materials in the best and cheapest markets.

(3.) As to our supplies of food, more than seventy-five per cent

of them, purchased in the cheapest and best markets, is derived from foreign countries. The productions of our different colonies vary so greatly that to give anything like equal advantage to all of them we should be compelled to tax nearly every imported foreign foodstuff. As our imported food amounts to £25 per annum per family of our population, such a course could only result in lowering the standard of comfort and strength of our enormous population to benefit the few British colonists who produce foodstuffs.

(4.) As to the trade of the United Kingdom with foreign nations and British possessions respectively, our oversea trade is valued at £800,000,000, of which £600,000,000 is transacted with Foreign Nations, and £200,000,000 with British Possessions. Apart from other considerations, therefore, it is obviously unwise to dislocate three-fourths of our commerce in the endeavour to increase the remaining fourth.

(5.) As to our present commercial relations with foreign nations, at present we enjoy most favoured nation treatment with them all (*i.e.*, *their preferential tariffs*). If we establish preferential trading with our colonies and so create maximum and minimum tariffs, the former for foreign nations and the latter for British possessions, we shall deprive ourselves of most favoured nation treatment for two-thirds of our export trade.

(6.) As to present colonial imports from foreign countries, or the margin of colonial trade to be won from the foreigner, our export trade to our colonies would certainly tend to increase through the establishment of a Zollverein or by the extension of tariff preference to British goods by our colonists. The total margin of trade to be won, however, is not very great, indeed, small, as compared with our present enormous turnover, and is further reduced by the fact that colonial imports from foreign countries are made up largely of articles which the United Kingdom is unable to supply on any terms.

The Zollverein issue is peculiarly one in which quantities are everything. It is so common to see writers misled by the varied productions and widespread character of the British Empire into the belief that it could at once be made self-supporting, and that free interchange between its different numbers would suffice for the perfect happiness and welfare of the whole, without recourse to the productions of foreign nations. Canada, they say, produces wheat; that settles the bread question. Australia produces mutton; it is enough, we need not buy other. Timber; we can get it from Canada. Hides; they have plenty in India and Australia. Metals; there is copper at the Cape and lead in Australia, iron in Canada and pyrites in Newfoundland. India-rubber; we can get it in British West Africa. Hemp; is it not grown in New Zealand? And so on, all through the list, for it is sober fact that the British Empire produces every variety of food and material known to civilization.

But in modern industry it is more than ever true that the race is to the swift, and the battle to the strong. It is not merely *some* copper that we want, but copper in the largest possible quantities, and at the cheapest possible price. If we are to make the most of our national existence we must lay under contribution every known source of the commodities we require. It needs but to glance down the long lists of articles which appear in previous chapters to see that we have no choice but to continue to purchase the greater part of our chief materials and foods in foreign markets. In but few cases are the best and cheapest supplies procurable in our colonies. It follows, therefore, that an industrial nation like ours cannot afford to benefit the colonies by giving a tariff preference to their products, for, while they have little besides raw materials and food to sell, they cannot supply them in sufficient quantities to support our industries and people. Examine the great industry of cotton manufacture. Lancashire obtained 16,336,697 cwts. of raw cotton from foreign countries,

nearly all from the United States, in 1901, and a mere 350,922 cwts. from British possessions. The value of this cotton was about £40,000,000 (*one-tenth of our imports from foreign lands*), but Lancashire made goods of it for export alone worth £70,000,000, while the value retained in this country is also enormous, every reader of these lines having some of it on his person and more in his household. What is true of the cotton industry is true also, in greater or less degree, of the majority of British industries. Nearly all of them are built upon foreign raw materials, and it is idle to overlook the fact that we could not obtain sufficient supplies from our colonies at such prices as to sustain them in their present prosperity.

But, it is argued, what of the time to come? The British Empire is but feeling its strength. In the course of years the British Dominions oversea will grow far more corn and produce materials in greater abundance than they do now. Have patience, it is urged, make a little sacrifice of comfort and gain, and we shall be immeasurably strengthened in the long run by Imperial supplies of everything we need.

Those who talk in this way forget that it is not only our colonies that are developing and will develop. Canadian wheat supplies are growing, it is true, but what of Siberian and Argentine resources? Australia will be able to supply more meat, but what of South America? In ten years' time, in twenty years' time, it will still be true that we shall need the *best and the cheapest* if we, as a nation, are to hold our own in the markets of the world amid the ever-growing keenness of industrial competition. We want the greatest number of suppliers, the greatest number of customers, we can find, not in one-third of the world, but the whole of it. Let us suppose the British Empire to embrace the entire world. Would anyone suggest, then, that grain transferred from South America to the United Kingdom would do us harm, or that we should shut it out arbitrarily as an accursed thing, and

prefer the innocuous, healthful grain sold by the north of North America? It is also necessary to remember in connection with the future of our colonies, that it is not only as suppliers of food and raw materials that they will develop. It is amusing to see the tacit assumption in so many articles on this subject that a scheme of preferential trading would turn our colonies into preserves for the British manufacturer in which he could take refuge and find a never-failing market. Those who think in this way forget that, as has been pointed out in a previous chapter, the chief competitor of the British manufacturer in white colonies in future will be the colonists themselves, who will not only make up their own materials into goods for their own use but quite possibly become large exporters. For instance, Canada sells a large quantity of agricultural machinery in Australia, a fact which rejoices the heart of every man who has the real interests of Canada at heart. But to the British agricultural machinery manufacturer this spells competition in Australia just as keen as that of the central part of North America commonly called the United States.

It naturally follows from the discussion of this question by politicians and writers as a matter of abstract theory and without reference to the hard facts of the case that we have had little in the way of definite schemes of preferential trading advanced. It is so easy to talk in a vague way of cementing the bonds of Empire, or of binding the colonies to our side by ties of interest. It is not so simple to grasp the details of a complicated problem and advance an intelligible plan which would confer equal benefits upon our colonists and ourselves. We have had the suggestion of Colonel Denison, which comes from Canada, and is supported by the Canadian British Empire League. It is that every port in the Empire should levy a special duty of 5 per cent. or 10 per cent. on all imports (*i.e.*, not only manufactured goods, the smallest part of our imports, but food and raw materials also) from foreign countries, and that the fund so raised should con-

tribute to Imperial Defence. How reasonable that sounds. But examine it, as Sir Robert Giffen did recently, and see what sort of a "fund" would be produced.

COLONEL DENISON'S DEFENCE FUND.

Foreign Imports into	Millions of £	at 10%
United Kingdom.	417	£42,000,000
Canada	28	2,800,000
India	12	1,200,000
Australia	11	1,100,000
New Zealand.	1½	150,000

Thus we, of the United Kingdom, would supply nearly the whole of this curious defence fund, and the colonies would pay small amounts which could well be dispensed with. It is strange that such a proposition could have been publicly made, and it affords the clearest possible proof that its author or authors had not examined the elementary facts of the situation before formulating it.

The fact is, of course, that we have lately gone from one extreme to the other. It is not long since the colonies were termed by a great British statesman "millstones round our necks." Now, we rush to the other extremity, and talk of our own great and powerful country, with its 41½ millions of the most advanced race in the world, as "Little" England, while the colonies are popularly supposed to be mighty nations which can supply us not only with food and raw materials, but an indefinite number of armed men at a moment's notice. We draw maps, in which England occupies an obviously very small area, while Canada and Australia loom very large and red. If it is men who make nations, however, and not land, let us examine the question of population, and the colonial question is seen in its due perspective. As the Prince of Wales truly remarked on his return from his colonial tour, indicating, with keen insight, the weakest point of our Imperial position, the great need of the British Dominions beyond the Seas is *more white men*. If we can do anything to promote the transference of our

surplus population to Canada and Australia and South Africa, we shall do more for the British *imperium* and more for British commerce than any scheme of preferential trading could possibly do. *There are not enough British producers and consumers over the seas.* All the white people in the Empire outside this country, as we have seen, number but some eleven millions of men and women and children, or, say, between two and three million families.

Analogies are often drawn between the case of America or of Germany and ourselves. It is argued that if a Zollverein helped German unity it must be of assistance in linking up the British Empire. But such analogies are altogether misleading. The German States which recognise the Prussian King as German Emperor are not sundered by the sea. Goods have not to be shipped thousands of miles and pass the formalities of custom houses. Distance is a factor which no scheme of Empire can eliminate. As has already been pointed out, the tariff preference of Canada to British goods does not alter the fact that American iron can go in by rail while ours must go down to the sea in ships.

Then there is the difficult question of raising revenues. A uniform tariff arranged by the British Empire against the world outside it would obviously raise very different amounts of revenue in the different parts of our Dominions. But a uniform tariff is out of the question. As Mr. Chamberlain said in 1896: "The circumstances of our different countries vary so considerably that it is evident that in any arrangement as to general Free Trade within the Empire, exceptions must be made in the case of articles that are chiefly taxed for revenue purposes. For instance, we cannot admit free trade in spirits or in tobacco, and to the experienced other articles will suggest themselves, which in one part of the Empire or another are the subject of strictly revenue duties, and might, by common agreement, be excluded from any such

arrangement." This statement makes no reference to the fact that our self-governing colonies raise revenue by taxing the only articles we have to sell, viz. : manufactured goods. Even if the revenue difficulty did not exist it would pass the wit of man to arrange a common Imperial tariff for the purposes of protection, so varying are the needs and conditions of the members of the Empire. At the present moment the German Empire, although composed of adjoining States with a highly developed system of railways and waterways, has the greatest difficulty in devising a tariff to satisfy all its internal conflicting interests. The Australian Commonwealth, which has just adopted a Zollverein, is another instructive example. Indeed, the difficulty in this respect is so obvious that suggestions for a true British Zollverein are rarely made. A "sort of Zollverein," or preferential tariff arrangement within the Empire, is a timid attempt to surmount this and other difficulties by suggesting that each colony should formulate such duties for revenue or protection as seem good to it, always, however, reducing them in favour of the other parts of the Empire. It is at once apparent, however, that our colonies, if they carried this into practice, would extend us merely the dubious advantages of the Canadian preference, for their tariffs are directed against our only form of export, manufactures, while foreign nations would continue to send in their raw materials and crude metals scot free. It is quite unlikely that our colonies would be so foolish as to tax foreign raw materials, while, if they decided on free trade towards British exports (manufactures) and a duty against foreign manufactured articles, that would not save us from the greater geographical advantages of America in trading with Canada, the West Indies and Australia, or save our colonies and ourselves from the reprisals of the nations with whom, great and small, we and they at present enjoy most-favoured-nation treatment.

I do not pretend, in this short treatise, to have exhausted the wide subject of inter-Imperial trade. I feel, however, that I can claim to have presented, in a lucid and graphic manner, the main facts which should not be lost sight of in forming a sound judgment upon it, and to have commented upon them dispassionately, leaving them, for the main part, to speak for themselves. In this I have but followed the excellent example of Darwin, whose custom it was to collect all pertinent facts and found opinions upon them, instead of selecting facts which should serve to support a preconceived idea. I have given the evidence to the best of my ability, and for the rest—*veritatis simplex oratio est.*

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